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# THE FINANCES OF CLEVELAND

BY

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## PREFACE

IN the preparation of the following study of the *Finances of Cleveland* I have met with special difficulties growing out of the frequent changes in organization and administrative methods which have occurred in the history of that city. Because of these I can scarcely hope that I have invariably presented all of the most important facts or avoided all errors. Wherever feasible, I have given specific references to laws, ordinances, and reports; for the statistical data, however, exact references could not always be given. The condition of the financial reports has occasionally made necessary a more or less arbitrary rearrangement of the data they contain, in order to make them comparable with other reports. In the work of collecting and arranging so large a body of facts I have probably not escaped making a few merely mechanical errors. My results, however, are not designed to have the degree of accuracy that is necessary for accounting purposes. For the use of the student of municipal problems, it is believed that such minor inaccuracies as have been unavoidable will lessen but little the value of the facts presented.

I am glad to have this opportunity to make acknowledgment of aid received from the Carnegie Institution, of Washington, in connection with the preparation of this monograph. The work was originally undertaken at the suggestion of Professor Henry B. Gardner, of Brown University, who is directing for the Institution investigations into the financial history of the country to constitute a part of a projected economic history of the United

States. I wish to make special acknowledgment also to the officers of the Western Reserve Historical Society, of Cleveland, for their kindness in placing at my disposal the Society's very complete collection of municipal records and reports. I am also under obligation to many of the officials of the city of Cleveland for advice and criticism. Especially am I indebted to Newton D. Baker, Esq., City Solicitor of Cleveland, for reading my manuscript and making valuable suggestions, and to Professor E. R. A. Seligman and Professor H. R. Seager for assistance in the matter of publication.

C. C. W.

*Columbia University, March 19, 1907.*

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## CHAPTER I

### INTRODUCTION

§ 1. *Importance of Municipal Finance.* The rapid growth of cities in the United States has given rise to many important social and economic problems. Of these problems those concerned directly with public finance do not yield in importance to any. "What are the most pressing needs and important problems in the government of American cities?" was asked recently of Mayor McClellan of New York City. His answer was, in part: "To make a little money go a long way. No city in the United States, so far as I know, has the means to do all that is required of it. The rich ones and the poor ones are alike in this respect." Municipal finance has become far more complex than the fiscal matters of either state or Federal government. In mere magnitude also the fiscal operations of American cities take first rank. The annual expenditures of the one hundred and seventy-five cities of the United States having a population of more than twenty-five thousand exceed the expenditure of the National Government, and are also in excess of the annual cost of all the state governments. The net indebtedness of these one hundred and seventy-five cities is likewise greater than the total debt of the United States, and is increasing with great rapidity.<sup>1</sup> In 1904 the one hundred and fifty-one largest cities paid to the public more than twice as much for interest as was paid by the Federal gov-

<sup>1</sup> *Vide* statement of Mr. S. N. D. North, Director of the Census, in *Proceedings of a Second Conference held in the City of Washington, February 13 and 14, 1906*, p. 11.

ernment. The expenditures of each of the two largest cities of Ohio exceed by a million and a half the total expenditure of the State; while the five largest cities annually disburse considerably more than three times as much as does the State itself. In 1905 the indebtedness of cities in Ohio amounted to \$103,557,868, the funded state debt being less than \$2000, and the irreducible state debt in the form of trust funds only \$4,902,110. Excluding the debts of cities, the whole amount of local debts reached but \$35,298,945.<sup>1</sup> As this latter sum includes the debts of counties and special school districts, as well as of incorporated villages and townships, it is evident that a still larger proportion of local indebtedness is attributable to urban centers. In many other states conditions are not dissimilar.

Notwithstanding its importance, almost no scientific study has been made of municipal finance in the United States. For this apparent neglect two principal reasons may be assigned. First, it is evident that no important conclusions can be reached in regard to the development of the municipal economy in general until that development has been traced minutely and accurately for a relatively large number of cities. Such a study has been made available for but three or four important municipalities.<sup>2</sup> The second reason for a lack of fruitful investigation in municipal finance is found in the diversity and inadequacy of the financial reports of the cities themselves. Fortunately the latter defect is now being removed through investigations conducted by the Bureau of the Census and by several state governments, with the coöperation of progressive city

<sup>1</sup> *Annual Report of the Auditor of State for 1905*, p. 778.

<sup>2</sup> *The Financial History of Baltimore*, by Dr. J. H. Hollander, Baltimore, 1899. *The Finances of New York*, by E. Dana Durand, New York, 1896. *The Finances and Administration of Providence*, by H. K. Stokes, Baltimore, 1903.

officials and students of public finance and of municipal affairs.

§ 2. *Aim of this Study.* The present study aims to contribute to a knowledge of the historical development of individual cities. General results are not sought; neither is it proposed to recite the bare facts of revenue and expenditure. The aim is rather to present a concrete historical study of: (1) the cost of the varied and rapidly multiplying municipal functions; (2) the means by which these costs are met through the use of powers delegated to the municipal corporation by the state; and (3) the administrative relations of both revenues and expenditures. The various functions themselves are not considered from the point of view of the legal or technical expert, but rather as they appear in the budget and present themselves to administrative officials and taxpayers as a problem of ways and means. Among students of municipal problems the consensus of opinion is that such historical work is needed. According to a recent writer:

The work now most requisite for the proper understanding of municipal finances is an historical study for a series of years of the growth of municipal departments; the history of the administrative changes in the development of a city function, the progress from management by a committee of the city council, to management by a board, to management by a single head; the history of consolidation of related departments and the gradual separation of new departments from old in the process of progressive differentiation.<sup>1</sup>

Professor Hollander, to quote but one other investigator in the field of municipal finance, says: "Until essential data have been digested and arranged in a series of detailed monographs tracing the financial development and describ-

<sup>1</sup> Dr. H. H. Cook, *Economic Studies*, vol. iv, p. 81.

ing the financial status of representative American cities, there can be no comprehensive study of many of the most important aspects of municipal finance."<sup>1</sup>

Certain secondary results should be reached in detailed studies of this sort. Although the fiscal problems met with in municipal administration are vast and complex, our cities depend less upon the expert and trained administrator than does the national government, or even the governments of many of the states. Criticism from the public is, under these circumstances, highly desirable. Honest inquiry of any sort can have only a wholesome effect on the public official.<sup>2</sup> On the other hand an appreciation of the vastness and complexity of the problems presented by municipal finance should lead to a more careful selection of public officials.

A critical study of the financial and administrative history of a city during the whole period of its existence should also throw some light on its probable success in any attempt to extend the municipal ownership and operation of public utilities. This problem is no longer to be regarded as a theoretic one; it is now to be decided on grounds of practical expediency, and the question of expediency is very largely a financial one. Into it also enter the factors of public vigilance and the selection for office of men who have the requisite expert ability and honesty of purpose to manage great business enterprises. Municipal finance should, therefore, at the present time be studied with an eye to the possibility of successful municipal ownership of street railways, lighting plants, *etc.*

To pass over entirely the whole subject of the taxing system, which, in Ohio as in many other commonwealths,

<sup>1</sup> *The Financial History of Baltimore*, p. vii.

<sup>2</sup> Cf. J. Row-Fogo, "The Statistics of Municipal Trading," *Economic Journal*, vol. xi, pp. 21-22.

reveals its worst features in the larger cities, the problems of state control versus "home rule" in matters of public debt and expenditure need more consideration than they are likely to receive at the hands of city officials eager to carry out vast schemes of public improvement. The degree of state supervision of municipal finance which is both practicable and desirable is a question also to be answered from a knowledge of actual conditions rather than on *a priori* grounds.

Finally it may be said that as a method of attacking the general subject of municipal government a study of the finances is most fruitful. "Budgets," it is accurately observed, "are the summary of the conditions and possibilities of municipal life."<sup>1</sup>

§ 3. *Methods followed.* The city of Cleveland may be regarded as typical of the rapidly growing urban centers of the Middle West and elsewhere. Its growth, while not so phenomenal as that of Chicago, has been remarkably rapid. By the census of 1900 it ranked as the seventh city in population in the United States, although in 1840 it had but 6,071 inhabitants. In its history there are few striking events. Changes which have taken place are very similar to changes that any normal community undergoes in passing from the small village of a few hundred people to a great commercial and manufacturing center with a population of half a million. The purely financial changes are almost without exception represented by a budget keeping pace with, or outstripping, growth in population and wealth, accompanied by an evolution in organization and administrative machinery, not wholly but for the most part, making for greater efficiency and economy. These

<sup>1</sup> J. J. O'Meara, *Municipal Taxation at Home and Abroad*, London, 1894, p. vi.

developments are traced from decade to decade and from year to year so far as they are conceived to have any bearing on the more strictly fiscal problems. During the village period and even under the first city charter the financial relations are unimportant. Just when they do become important is as difficult to say as it would be to name the year when village conditions became city conditions. All that is attempted in considering the early decades is to give an outline of the financial system as a basis for the more detailed study of the later periods.

The method of presenting historical matter is primarily topical rather than chronological. To the writer this appears to serve better the purpose of tracing financial development. Historical discussion and statistical statements are supplemented by a certain amount of comparison with other cities.<sup>1</sup>

<sup>1</sup> Cf. § 48.

## CHAPTER II

### ORGANIZATION AND ADMINISTRATION

§ 4. *The Village.* On the twenty-third day of December, 1814, the General Assembly of Ohio passed an act incorporating the Village of Cleveland. It provided for the annual election of a president, recorder, three trustees, a village marshal, a treasurer and two assessors. Corporate power was vested in the president, recorder and trustees, under the title "Trustees of the Village of Cleveland." To the trustees was granted power to purchase, receive, hold and convey any real estate or personal property for use of the village, provided the annual net income of such estate did not exceed \$5,000. The president or recorder was given power to impose fines for violating ordinances of the village corporation. It then became the duty of the marshal to collect the fine and pay it to the treasurer. The trustees were authorized to regulate markets and streets, to remove nuisances and to "erect and keep in repair such public buildings or other works of public utility as may be deemed necessary or useful."

The taxing power was carefully guarded. Whenever "in their opinion it may be expedient" the trustees were authorized to levy an annual tax on all lots and other property subject to taxation for county purposes, provided that no tax on improved real property should exceed one per cent of its value, and provided also that the tax should be levied on all property in proportion to its value. The duty of ascertaining the true value of property belonged

to the two elective assessors. Collection of taxes was entrusted to the village marshal, with power to sell personal property to satisfy a claim, and, in case no personal property was to be found, lots could also be sold. Moneys collected were paid to the treasurer, who could pay them out again only on the order of the trustees.

For nearly twenty years these simple provisions were adequate. In 1833 groceries were required to be licensed on petition of twelve householders.<sup>1</sup> By 1834 a need for public improvements began to be felt, but to secure them the financial powers of the village had to be enlarged. Important additions were accordingly made to the charter in the next two years. The trustees in 1834<sup>2</sup> were invested with power to levy a "discriminating tax" on all lands within the limits of the corporation to protect the village from the destructive action of the lake. Three non-resident freeholders were to be appointed by the common pleas court to make the assessment, which could not exceed \$4,000 in any one year. A section of the same act for the first time gave the village authority to use its credit in borrowing money. The amount that could be raised in this way was not to exceed the tax of the current year. Another amendment in 1834 required all poll taxes<sup>3</sup> to be expended upon the roads under the direction of the trustees. The same act gave the trustees power to grade, level or pave streets and walks, "the expense to be borne by the whole city, *pro rata*, according to benefits thereto."<sup>2</sup> Five freeholders were to be appointed by the trustees to assess the benefits and costs of such improvements. This assessment the trustees could increase or diminish as became necessary, in like proportion for each individual. The trus-

<sup>1</sup> Act of February 25, 1833.

<sup>2</sup> Act of February 18, 1834.

<sup>3</sup> *Cf. infra*, p. 63.



tees could order landowners to lay sidewalks, and if the order was not complied with, could have the work done and collect the cost by action of debt or by special assessment,—essentially the method used by the city at the present time.

Apparently the levying of a “discriminating tax” or special assessment was resisted. At all events it led to the appointment of what was doubtless the city’s first board of equalization. In 1835<sup>1</sup> the amendment of the previous year was changed so as to provide such a board to act with the president and recorder of the village upon the complaint of any person injured by the action of the trustees in levying the grading tax of 1834. Awards of the board were in every case to be final. The same body was also authorized to examine the assessment roll of that year and make such amendments as were deemed necessary to secure justice and equality. The expenses incurred in the “grade of 1834” were still unpaid at the end of the following year. By a charter amendment late in 1835<sup>2</sup> new authority was given to assess on the property of the village a sum sufficient to cover all the expenses of these improvements on the same principle followed in the original assessment,—“according to the benefit accrued to the property assessed.” That the village lacked the financial powers necessary became perfectly clear in these early attempts to make street improvements. In 1836 the village charter was exchanged for the first city charter.

§ 5. *The City Charter of 1836.* In 1836 the Village of Cleveland became the City of Cleveland by a charter secured in that year. Government was vested in a Mayor and Council, the latter consisting of three residents elected from each ward and one alderman for each ward elected at large. Both were elected for one year, although in 1841 the alder-

<sup>1</sup> Act of March 7, 1835.

<sup>2</sup> Act of December 17, 1835.

men's term was extended to three years. The Council had custody and control of all real and personal estate, as well as the city's "rights and interests." Among its various duties it was to settle all claims and demands against the city and publish "accounts of receipts and expenditures . . . annually, for information."

At first the tax rate was unlimited. The Council appointed assessors and made provision for correction and equalization of assessments. Taxes were at the beginning collected by a city collector; in 1841 this function was transferred to the county treasurer. Publicly supported schools were for the use of white children only. Property of "black or mulatto persons" was, therefore, specifically exempted from taxation for school purposes. The city had power to borrow money to discharge debts "present and prospective" and to pledge the revenues and property of the city in payment. The ordinances necessary for raising loans required a two-thirds vote of the Council, to be entered on the journal; then after an interval of two weeks the process had to be repeated. The cost of improving streets and public grounds could be met by "discriminating assessments" in proportion to benefit. To allow filing of claims for damages notice of the improvement under consideration had to be published for six weeks.

§ 6. *Special Legislation.* The village charter and the charter of 1836 were granted in the form of special acts of the General Assembly. Other cities and villages in the state were organized in the same way, and were continually demanding changes and additional powers. By 1850 much the greater part of state legislation was of this special nature. To correct the abuses of unrestrained special legislation the Constitution of 1851 required the organization of cities and villages under general laws, which should, in the language of that instrument, "restrict their power of

taxation, assessment, borrowing money, contracting debts and loaning their credit, so as to prevent the abuse of such power.”<sup>1</sup> The chief purpose of this restriction was to prevent municipal corporations from borrowing money to aid in the construction of railroads and other similar undertakings. In accordance with this provision of the Constitution the Legislature the following year passed the first<sup>2</sup> general municipal corporations act in the United States.

Limitations imposed on the financial powers of cities by the act of 1852 were too narrow. The rapidly growing urban communities were compelled to seek additional grants, which were made by laws general in form, but particular in application. Such a method had been made possible by the general act of 1852 itself which divided cities into first and second classes,—those having more than 20,000 population belonging to the first, and those of 5,000 to 20,000 to the second class.<sup>3</sup> Other classes were added from time to time and each divided into grades so that every important city of the state was in a separate class or grade. Cleveland for the greater part of the period was a city of the second grade of the first class. The bulk of the legislation relating to Cleveland which we shall follow in the course of this study was thus general in form but special in application.

Only two marked changes were made by the act of 1852 in the organization of the municipal government of Cleveland. One was the abolition of the Board of Aldermen, as provided in the charter of 1836; the other was the establishment of a separate police court. Previous to this time the duties of police magistrate had been performed by the Mayor.

<sup>1</sup> Art. xiii, § 6.

<sup>2</sup> Professor J. A. Fairlie, *Municipal Administration* (New York, 1901), p. 87.

<sup>3</sup> § 41.

§ 7. *The Board System.* From 1852 to 1891 Cleveland was governed under what is known as the "board system." Toward the close of the period decentralization reached its height, causing a reaction which brought about the "Federal Plan." The Board of City Improvements was probably the most important administrative body in the organization that followed the new charter in 1852. Upon it devolved duties previously performed by council committees, relating to bridges and other public works.<sup>1</sup> The Board of Improvements introduced at this time proved to be a distinct step in advance; it served to put a check upon ill-considered plans for public improvements. More important was its function in developing a system of special assessments to pay for purely local improvements, affording a much-needed relief to the general fund.<sup>2</sup> In 1861 the composition of the Board of Improvements was changed and its duties enlarged. It now consisted of the Mayor, the Civil Engineer, the chairman of the council committee on streets and one street commissioner elected for two years.<sup>3</sup> In all matters of public improvement and repairs the power of the Board became absolute in 1868. It was given "supervision, care and control" of lighting, cleaning, improving and repairing streets, public grounds, public wharves, landings, markets, bridges, *etc.* The city council acted on assessments, sanctioned improvements and repairs, and sold or leased city property only on recommendation of the Board of Improvements.<sup>4</sup> A new Code in 1869 continued the Board with much the same duties and powers as before. Work and expenditures under its control were separated

<sup>1</sup> Cf. *The Daily Herald*, April 11, 1853.

<sup>2</sup> Annual Message of the Mayor to the Council, year ending April 9, 1856, p. 7.

<sup>3</sup> Act passed March 1st, 1861, 58 O. L., 25.

<sup>4</sup> *City Ordinances*, 1868, p. 750; 65 O. L., 111.

into three divisions: (1) all new improvements were made under the direct supervision of the engineer; (2) repairs and cleaning of streets, sewers, *etc.*, belonged to the street department; (3) other expenditures were controlled directly by the Board. Until 1875 the council committee on harbors and wharves had charge of bridge tenders and to some extent controlled bridge repairs. After 1875 the municipal code made it the duty of the Board of Improvements to care for the bridges of the city.<sup>1</sup>

The Code of 1869 carried still further the plan of substituting administrative boards for council committees. Out of eleven boards created four were elected, four appointed by the mayor and council; one was appointed by the council alone and two were largely made up of *ex-officio* members.<sup>2</sup>

As early as 1876 the efficiency and economy of the board system began to be called in question. Fifteen years elapsed, however, before a change was effected. In his annual message to the Council in 1876 Mayor Payne voiced the feeling of all students of municipal government:

It is a question of serious doubt whether the different branches of municipal government can be as well and economically managed by boards the principal part of whose functions are performed independently of the executive and legislative branches of the government, even though a majority of them may be elected by the people. In the executive and legislative branches of the government is generally lodged the highest municipal authority, and upon them rests the responsibility for its proper management. They therefore see to it that the general revenues are equitably distributed among the departments

<sup>1</sup> Report of the Board of Improvements, *City Documents*, 1875, p. 448.

<sup>2</sup> Cf. D. F. Wilcox, "Municipal Government in Michigan and Ohio," *Columbia University Studies in History, Economics and Public Law*, New York, 1896, vol. v, p. 457.

and seek to secure economy and efficiency in all, while a board in absolute control of a department has no concern except for successful management of that particular branch, and, to effect this, with no improper purpose, it will often work to the prejudice of all others.<sup>1</sup>

These utterances were aimed especially at the Board of Police Commissioners and the Board of Education. Under the Police Commissioners' Act the former possessed quite independent financial powers. It made yearly estimates to be certified by the City Auditor and presented by him to the Council, which was obliged to provide for any estimate so made.<sup>2</sup> Under the act of 1873 the Board of Education was a corporation wholly independent of the city. It had full authority over the tax levy for school purposes, could issue bonds on its own account, and could manage and dispose of all school property without council action.<sup>3</sup> These independent boards were a constant challenge to both Mayor and Council.

A special investigating committee of the Council in 1878 emphatically declared that "spasms of reform" would not save the city from drifting "into irretrievable bankruptcy;" a "board of control" should be established to place the affairs of every department on a "strict business footing."<sup>4</sup>

In 1878, also, Mayor Rose called attention to the dangers lurking in the system and recommended legislation that would place in the hands of the Council the ultimate power to determine the amount of taxes to be levied for the maintenance of each and every department of the city government.<sup>5</sup>

<sup>1</sup> *City Documents*, 1876, p. 29.

<sup>2</sup> Act passed March 17, 1876, 73 O. L., 55.

<sup>3</sup> For full discussion of the development of the Board of Education, *vide* § 13.

<sup>4</sup> *Council Proceedings*, February 18, 1878.

<sup>5</sup> *City Documents*, 1878, p. 48.

Much concern was felt on the part of the city administration because the expenditures of the Board of Education in 1878 had exceeded its receipts by a little over \$12,000. The portion of the Mayor's message relating to the public schools was referred to the proper committee with instructions to prepare and submit to the Council for further action a bill to be presented to the next Legislature for the correction of the evils so apparent.<sup>1</sup>

The organization of various other boards constituted a serious obstacle to a consistent financial administration. The Cemetery Board, The Fire Board, The Board of Health, the infirmary and out-door relief board, the Board of Improvements, the Park Board, the Water Works Board, the board in charge of the Workhouse and the House of Refuge and Correction all stood in varying relations to the city government. The powers and limitations of the different boards were not well understood; the council and city officers, as well as citizens, often found themselves in doubt as to what constituted legal transactions. Moreover, any complete exhibit of city finances was practically impossible. From the point of view of financial administration it was highly desirable that the powers of all boards should be uniform in fixing salaries of employees, in the custody and disbursement of money, in creating liabilities against the city, in approving claims, and in the purchase and management of real estate.<sup>2</sup> The relief sought was not speedily secured. In 1886 Mayor Gardner again took up the question. He declared that the method of governing the city had not kept pace with its growth; no adequate machinery had been evolved to meet the great responsibilities due to enlargement of territory and growth of population; council commit-

<sup>1</sup> *Council Proceedings*, May 22, 1879, p. 35.

<sup>2</sup> Report of City Auditor, *City Documents*, 1880, pp. 52, 53.

tees having personal charge of the city's interests had been replaced by numerous boards with every degree of independent power.<sup>1</sup> Responsibility was divided and financial loss constantly entailed. Mayor Gardner's conclusion was that

The logical way to provide safe and good service is to formulate a plan so that the entire interests of the city may be brought together, under a central head, where accountability and responsibility may be fixed. There should be a concentration of municipal machinery. If we were to abolish all boards and place responsibility for department management with a reduced number, who should be required to meet so often as may be necessary to afford all a thorough understanding of the proceedings in the several divisions, I am confident a great stride forward would be made. Duplicate help and work would thus be avoided. I believe that under these circumstances prices for supplies and work could be made uniform and expenses materially reduced in every department and branch of government. Payments for all services, materials, and supplies should be made by the city treasurer solely upon warrants drawn exclusively by the city auditor. To the treasurer also should be paid all the money due the city. All the various departmental heads should be accountable to one authority. We would then have the utmost simplicity combined with clearly defined responsibility and accountability, reducing municipal expenses and losses to a minimum.<sup>2</sup>

Again the Council took action. A resolution was adopted looking toward legislation that would place all boards of the city under control of the Council. Time was not yet ripe, however; the change desired was delayed five years more,

<sup>1</sup> Dr. Wilcox (*op. cit.*, p. 481) states that Cleveland from 1852 to 1891 is a "good example of the board system in its more moderate form." To its general officers Cleveland seemed for a long period to be a good example of the system in its extreme form.

<sup>2</sup> *Annual Reports*, 1886, p. xxv.



but was secured in 1891 in the so-called "Federal Plan." The Board of Control in the new centralized system perpetuated in name only the old methods.

§ 8. *The Federal Plan.* The "Federal Plan" of government was first definitely proposed by a Committee of the Board of Trade early in 1889. Mayor Gardner's idea of abolishing the official boards and substituting a number of departments, each controlled by a single director to be appointed by the Mayor, was revived. Both the Mayor and the directors were to have power to remove their own appointees. But the recommendation of the Board of Trade went one step too far to meet with sufficient favor to secure its adoption. It proposed to make the schools a department of the municipal government, with a director appointed by the Mayor at their head. Other objections were also raised. The council committee appointed by the Mayor to meet with the Board of Trade condemned the proposition on the ground that to vest in the Mayor the absolute power of appointment and removal would result in making of the city government, including schools and police and fire departments, a mere political machine, subject to successful manipulation by scheming individuals and private corporations. Aside from these political objections the council committee declared the plan proposed would not diminish the expenses of the city. It therefore proceeded to draw up a bill of its own to secure the improvements generally agreed upon as essential. The principal change recommended was the abolition of the Board of Aldermen<sup>1</sup> and the adoption of a requirement that ordinances and resolutions involving the expenditure of money or granting of franchises should not be passed until at least a week after being introduced and read in council. It is evident that the Council desired a reform, but not a reform which would

<sup>1</sup> Cf. *infra*, p. 33.

continue to lodge a high degree of power in other hands. "The main defects in the present system," it was asserted by the Committee, "are that the separate boards are too independent of the Council;" the members of the more important boards should be appointed instead of elected.<sup>1</sup> In March a motion to put the question of remodelling the city government to a vote of the people at the April election was laid on the table.<sup>2</sup>

At last the Federal Plan became a possibility through a bill "to provide a more efficient government for cities of the second grade of the first class," passed by the General Assembly, March 16, 1891.<sup>3</sup> The law became effective April 6th and the Council at once proceeded to pass the ordinances necessary to the reorganization of the whole municipal government. Few experiments in city administration in the last two decades have attracted so much attention as Cleveland's Federal Plan. Its general features are well known. Inasmuch, however, as one of the main purposes in its adoption was to secure greater economy in the cost of administration,<sup>4</sup> an outline of the methods is in order here.

The Council consisted of two members elected from each of ten districts, of which they had to be residents, for a term of two years. Members were allowed a salary of \$5 for attendance at each regular meeting. The financial powers of the Council were greatly increased. An ordinance, resolution or order involving expenditure, making a contract, granting a franchise, levying a tax, fixing water rates, *etc.*, could not be passed until at least a week after it was introduced.

<sup>1</sup> *Proceedings of the Board of Councilmen*, January 28, 1889.

<sup>2</sup> *Proceedings of the Board of Aldermen*, March 22, 1889.

<sup>3</sup> 88 O. L., 105.

<sup>4</sup> *Proceedings of the City Council*, April 27, 1891.

To the Council was given the power of fixing the compensation of the chief of the fire and police departments, as well as of subordinate officers, patrolmen and firemen. It also appointed the health officers and fixed their compensation. Power to assess a water rent sufficient to conduct the water-works was lodged in the legislative body. Perhaps the most marked feature of the new plan was the division of the executive function into a half dozen departments each headed by a director appointed by the Mayor with the consent of the Council. Directors' terms were to end with that of the Mayor appointing them. It is apparent that a high degree of unity and centralization could thus be obtained. The Mayor, together with the heads of the six departments, formed a Board of Control to which was transferred the powers and duties of the old Board of Improvements and Commissioners of Sewers.

Among the first departments to be organized was that of Public Works. To its Director was transferred the duties previously vested in the Trustees of the Water Works, the Park Commissioners, the Platting Commission, the Street Commissioner, and the Civil Engineer. Three subdivisions were created,—the Water Works forming the first; repairing and cleaning of streets and public grounds, the second. Each was in charge of a superintendent appointed by the Director of Public Works. The third subdivision, in charge of the Chief Engineer, was responsible for streets, sewers, public buildings, harbors and wharves.<sup>1</sup> The Department of Police was concerned with all matters relating to public health, food inspection, markets, city scales, and weights and measures, in addition to the police department proper.<sup>2</sup> The Director of Fire Service assumed the duties of the

<sup>1</sup> Ordinance of June 8th, 1891.

<sup>2</sup> Ordinance of May 11, 1891.

Board of Fire Commissioners. The Department of Law remained practically unchanged, its Director now being styled Corporation Counsel. Powers and duties previously in the hands of the Board of Workhouse Directors, Board of Directors of the House of Refuge and Correction, the Trustees of Cemeteries and the Board of Infirmary Directors were assumed by a Department of Charities and Correction. The title of the Director of the Department of Accounts was changed from Comptroller to City Auditor<sup>1</sup> and the office of chief clerk created. The reorganization of the Department of Accounts had in view the supervision by one person of all public accounts in the city. The Sinking Fund Commission, Depositary Commission, Annual City Board of Equalization, Decennial Board of Equalization and Board of Tax Commissioners were continued as under previous laws. All officers were put on a salary basis. The Mayor received \$6,000 and the heads of departments \$4,000, with the exception of the Corporation Counsel who was paid \$5,000. All legally established fees and perquisites had to be paid into the city treasury to the credit of the general fund, unless other provision was made.

With unimportant changes reforms thus heroically introduced remained in force until Cleveland's government, along with nearly every other municipal government in the state, was in 1902 declared by the Supreme Court to be unconstitutional. A period of eleven years should be long enough to furnish a thorough test of the efficiency of the Federal Plan. Whether in fact economy of administration resulted it is not perfectly easy to say. In a later chapter dealing with expenditures we shall take up this question. The success of the experiment is, however, not to be measured solely by the cost. The favor which the plan certainly found

<sup>1</sup> For duties of the Auditor under the Federal plan, *cf. infra*, p. 35.

with the people of the city and the reluctance with which it was exchanged for the form provided in the Code of 1902 testify to its general efficiency.

§ 9. *The Code of 1902.* In 1902 the constitutionality of the Federal Plan was attacked and a long line of decisions sustaining such special legislation definitely set aside.<sup>1</sup> Execution of the decision invalidating the government of almost every municipality in the state was suspended until an extraordinary session of the Legislature could provide constitutional governments for them. While the new code brings back to Cleveland the old board plan, the form is less objectionable than it was before 1891. For the state as a whole it represents a larger degree of local autonomy. For Cleveland it was a distinct step backward. "This Code," said Mayor Johnson, "illegally drawn and devised to aid and foster corruption and graft, has been a mighty opportunity for wrongdoing and an obstacle to progress."<sup>2</sup>

It is specifically provided that the powers of the Council shall be legislative only and that no administrative duties whatever shall be performed by it. It has the power to fix bonds and salaries, except in the Department of Public Service, but has not the power either of appointing or confirming city employees, aside from those in its own immediate service. In respect to contracts the Council merely grants authority to the proper board and makes the necessary appropriation. The chief administrative authority is the Board of Public Service which consists of three<sup>3</sup> members elected for a term of two years. To it is given the supervision and improvement of streets and sidewalks, and the

<sup>1</sup> *State v. Beacom*, 66 O. S., 491.

<sup>2</sup> *Annual Reports*, 1904, p. x.

<sup>3</sup> The Code provides for a board of three or five members, the number being optional with the city.

control of lighting, bridges and sewers. It has charge of all municipal industries and manages public buildings and property. This board also has the management of the city's charitable and reformatory institutions. It is subject to the authority of the Council only in the matter of expenditure. The Board is the chief employer of labor for the city and is required to fix the salaries of its employees, a power which experience in Cleveland seems to show should have been given to the Council.<sup>1</sup> Another administrative board provided by the new Code is known as the Board of Public Safety. It consists of two or four persons appointed by the Mayor for four years. This board succeeds the Director of Police and Director of Fire Service. It makes all contracts for acquiring lands, erecting buildings for the use of fire and police departments, and for securing all necessary supplies and equipment, subject to the \$500 rule. It cannot sell city property without the authority of an ordinance of the Council.<sup>2</sup>

§ 10. *The Council.* The most important aspects of the legislative department of the city have already been touched upon. Under the first charter the Council had large financial and administrative powers. Its various functions were performed in person by numerous committees. Under the charter of 1852 administrative boards displaced council committees and in many cases came to exercise quite independent power. With the Federal Plan certain prerogatives of the Council were restored. Its financial powers under the general law of 1902 remain practically unchanged.

It remains to note briefly certain other changes, especially in regard to its form, through which the legislative body has passed. From 1836 to 1852, while consisting of a single chamber, it had two kinds of members,—coun-

<sup>1</sup> *Council Proceedings*, April 24, 1905.

<sup>2</sup> §§ 146, 154.

cillors, elected by wards, and aldermen elected at large. The charter of 1852 abolished the office of alderman. Financial difficulties constantly experienced were traced, as we have seen, to the presence of independent and self-seeking boards. While the mayors and succeeding councils to restore order were demanding concentration and greater powers for the Council the General Assembly in 1885, in spite of the solemn protest of the City Council,<sup>1</sup> created a Board of Aldermen.<sup>2</sup> This second chamber was composed of nine members, elected from as many districts for a term of two years. The number of councilmen was reduced to one member from each ward, elected also for two years. The usual provisions in bi-cameral bodies were present. A change was made in the law in 1887,<sup>3</sup> increasing the number of aldermen to fifteen and reducing the number of districts to three. Though doubt existed as to the legality of the powers conferred upon it by law,<sup>4</sup> the Board of Aldermen continued until abolished by the Legislature in 1889.<sup>5</sup>

§ 11. *The Auditor.* The office of City Auditor seems to have been created first in 1854, when the annexation of Ohio City caused a large increase in municipal business.<sup>6</sup> For several years, however, the Auditor was little more than a bookkeeper, recording transactions over which he had no control. The office did not assume first-rate importance until about 1880 and not until the law of 1889 did he come to have real control over the city finances. New duties were

<sup>1</sup> *Council Proceedings*, March 23, 1885.

<sup>2</sup> Act passed April 3, 1885, 82 O. L., 111.

<sup>3</sup> Act of March 19, 1887, 84 O. L., 125.

<sup>4</sup> *Proceedings of the Board of Aldermen*, April 22, 1887.

<sup>5</sup> Act of April 13, 1889, 86 O. L., 277.

<sup>6</sup> The financial reports of the city are signed by the City Clerk previous to the year ending April, 1854. In that year the report bears the signature of "City Auditor."

added from time to time and it was not always easy to say exactly what the various functions of the Auditor were. In 1882 the Council, apparently in doubt as to the scope of his powers, required of the Auditor a statement of his chief duties as prescribed by the laws and ordinances. His report in response to the council resolution separated his duties into ten divisions, as follows: (1) to keep all city accounts; (2) to supervise the fiscal affairs of the city, the collection of revenues and the settlement of claims; (3) to audit all claims and draw all warrants for payment; (4) to prepare all claim ordinances and preserve evidence of payment; (5) to keep registry of all bonds and other obligations issued; (6) to file and preserve all cancelled bonds, coupons and other obligations; (7) to certify to the Council the condition of each fund; (8) to make all special and district assessments; (9) to make quarterly and annual statements of the financial condition of the city; (10) to prepare annual estimates of the expenses of the ensuing year.<sup>1</sup>

The Auditor in Cleveland has usually been appointed by the Council, a method which has the sanction of the best authorities.<sup>2</sup> An act of the Legislature in 1889<sup>3</sup> created the office of Comptroller and prescribed his duties. He was to be appointed by the Mayor for a term of three years, without reference to the Council, and could also be removed by the Mayor if found incompetent. In addition to the usual duties of keeping the city's accounts and auditing all accounts in which the city was concerned, the law of 1889 gave the Comptroller power to prescribe the accounting methods of all departments of the city, as well as the form in which their reports were to be made to him. Each de-

<sup>1</sup> *Council Proceedings*, February 20, 1882.

<sup>2</sup> *Vide* recommendation of the National Municipal League in *A Municipal Program*, p. 155.

<sup>3</sup> Passed April 15, 1889, 86 O. L., 366.



partment was required to report daily all moneys received and the disposition made of them. The Comptroller by this law was held strictly to account for all warrants drawn; he or his sureties were liable for any amount paid out contrary to law and ordinance. The Federal Plan of 1891 repealed the act of 1889, but practically re-enacted it as the law governing the Department of Accounts,<sup>1</sup> and changed the title "Comptroller" back to "City Auditor." He was now appointed by the Mayor with the consent of the Council for a term not exceeding that of the Mayor appointing him. With the reorganization of school government in 1892<sup>2</sup> the City Auditor became auditor and disbursing officer of the Board of Education and kept all school accounts in his office. The School Code of 1904 transferred the school accounts back to the office of the Clerk of the Board of Education. Under the Federal Plan, also, the City Auditor became auditor of the Library Board and this plan is still followed. The Auditor's powers and functions remain practically unchanged under the Code of 1902. He is now elected, however, for a term of two years.<sup>3</sup> In prescribing forms for accounts and reports he must keep within the provisions of the uniform accounting law of the state.<sup>4</sup> It is still his duty to prevent any appropriation from being overdrawn and the amount appropriated for one purpose from being used for any other. Every ordinance involving expenditure, before it becomes effective must be accompanied by the Auditor's certificate that there is sufficient money in the treasury to the credit of the fund from which the expenditure is to be made. The Auditor also has important duties in making up the annual budget and the half-yearly appropriation ordinance.

<sup>1</sup> 88 O. L., 115.

<sup>3</sup> Act of April 2, 1906, 98 O. L., 196.

<sup>2</sup> Cf. *infra*, p. 40.

<sup>4</sup> Cf. *infra*, p. 57.

§ 12. *The Treasurer.* The office of Treasurer dates from the first village charter. Its duties and responsibilities have kept pace with the growth of the city, although they have not changed in character as have the duties of Auditor. Without exception, apparently, the Treasurer has been elected by popular vote, the term usually being two years. As compared with the Auditor the duties of the Treasurer are simple; it may almost be said that any honest business man is competent to fill the position.<sup>1</sup> Although many years ago the Treasurer's duties were specified by the Legislature,<sup>2</sup> they have not been enlarged and defined from time to time as in case of the Auditor. He has the usual duty of keeping an account of receipts and disbursements, maintaining separate accounts for the various funds and specific appropriations. The Code of 1902 requires the Treasurer to keep a separate account with each fund for which taxes are levied.<sup>3</sup> It also makes the City Treasurer custodian of the school funds. The same provision is made in earlier statutes and no compensation allowed for the service.<sup>4</sup>

Various methods have been used for paying the Treasurer. From a pure fee system change was made to a nominal salary to which he could add—indeed was obliged to add—through interest on public money in his hands. Being required to give bond for hundreds of thousands of

<sup>1</sup> Qualifications for the office have, nevertheless, changed somewhat since 1850. In reference to a candidate for city treasurer in that year the editor of a daily paper says: "Mr. ——— has all the qualifications requisite for a good treasurer, is an honest, hardworking mechanic, and last season met with a severe accident by which he was disabled from laboring at his trade. We trust the electors of the city will remember with their votes the good citizen and very deserving man" (*The Cleveland Daily Herald*, March 2, 1850).

<sup>2</sup> Act of May 7, 1869, 66 O. L., 174.

<sup>3</sup> § 41.

<sup>4</sup> *Eshelby v. Board of Education*, 66 O. S., 71.

dollars, in addition to paying his own clerk hire, it was understood that the Treasurer should receive some return in addition to his salary. The law forbidding deposit of public moneys in banks was constantly and openly ignored; and in point of fact it was much safer to deposit funds in banks than to keep them in the City Hall. The enactment of a depositary law <sup>1</sup> put the office wholly on a salary basis, making it much less lucrative. It may still be used, however, as a reward for party loyalty and political service and will probably continue to be elective so long as it is necessary to make some concession to erroneous ideas of popular government.

In the history of the city but one flagrant breach of trust on the part of a treasurer has occurred—the so-called “Axworthy Defalcation.” Mr. Axworthy, who had held the office for three years, in 1888 left the city defalcating to a large amount. At the time of his departure nearly half a million dollars of the city’s money was, contrary to law, on deposit in his name in various banks. These deposits were recovered and the bondsmen of the Treasurer forced to pay over to the city \$279,413 in addition to the costs of litigation.<sup>2</sup> The surety bond required of the Treasurer has been increased by the Council from time to time and is now larger than that of any other officer, the annual premium being \$600. Specifically as an aid in meeting this expense \$500 has been added to the salary of the office.

§ 13. *School Administration.* Prior to the charter of 1836 Cleveland had no public school system. Educational problems, few and unimportant, were dealt with directly by the Council. The first step in the organization was

<sup>1</sup> Cf. *infra*, § 45.

<sup>2</sup> *Annual Reports*, 1888, pp. x-xi; Report of Corporation Counsel, *Annual Reports*, 1892, p. 627; *Council Proceedings*, August 14, 1893.

made in 1836<sup>1</sup> by the appointment of a Board of School Managers of five members. Schools then supported by the city accommodated less than half the school children. By ordinance of July 7, 1837, the public school system was established. A school committee of the Council was authorized to coöperate with the Board of School Managers in providing the necessary buildings and equipment. This method was followed until 1853, when a Board of Education was appointed by the Council with authority to elect a superintendent. The Board consisted of one member from each of the seven wards, but was increased in 1854 to eleven members by the annexation of the four wards of Ohio City. It had but slight control over the school fund. Without the specific authority of the Council it could not incur an expenditure of more than \$50 for tuition or maintenance or any other purpose; larger expenditures were made directly by the Council, usually upon the recommendation of the Board.<sup>2</sup> By an act of the Legislature in 1859<sup>3</sup> the Board of Education was for the first time elected by popular vote; the Council and the Board now held the same relation to the people. The latter was, however, still subject to the Council in important particulars. While it was required annually to certify to the Council an estimate of the amount deemed necessary for school purposes, the Council could increase or diminish the levy as it saw fit, within the limits prescribed by law. In the matter of expenditure the Council retained the same power it had when it appointed the Board. In the eyes of the law it was still the Council upon which was laid the duty of providing the means for a common school education. A much greater degree of indepen-

<sup>1</sup> October 5, 1836.

<sup>2</sup> *Report of Board of Education to Council, 1854-5*, p. 16.

<sup>3</sup> Passed March 26, 1859, 56 O. L., 281.

dent power was bestowed upon the Board of Education in 1868.<sup>1</sup> It could now levy taxes without restriction by the City Council, was constituted a body corporate, and given full control over ordinary expenditures; but in one respect it was still under restraint. The purchase of real estate and the erection of buildings was controlled by the Council on the recommendation of the Board of Education. If the Board's recommendations were approved, it was incumbent on the Council to provide the necessary funds as soon as possible. A school construction fund was established for this purpose. The Council drew up specifications, advertised for bids and let contracts in the name of the city of Cleveland; the Board of Education then supervised the work. Unsatisfactory as this relation of city and school authorities soon proved to be, it was hailed by the Board of Education as a reform long since needed. Restrictions on its authority had been such that it felt itself to be a mere committee of the Council, able to recommend, but without authority to enforce measures. In the management of a school system embracing 160 teachers and 10,000 pupils the Board was embarrassed by the necessity of going to the Council whenever an expenditure of \$50 was required. This lack of financial control led to the wider separation of schools from other departments of the city government in 1868. The immediate occasion for the change was found in a misuse of school funds by the Council. In reply to demands of the Board the Council insisted that the school fund was insufficient. An investigation followed which revealed that more than \$48,000 had been borrowed from the school fund and never returned.<sup>2</sup> The

<sup>1</sup> Act of April 14, 1868, 65 O. L., 236.

<sup>2</sup> *Forty-second Annual Report of the Board of Education, 1877-78*, pp. 100-101.

greater responsibility now laid upon the Board secured, it was claimed,<sup>1</sup> a higher degree of caution in its action and a more judicious expenditure.

Complete separation of the Board of Education and City Council was effected by the codifying act of 1873.<sup>2</sup> School property of all kinds was now vested in the Board of Education; it was given full power to purchase sites and build schoolhouses. Except in cases of "urgent necessity," in incurring an expenditure exceeding \$1500 a prescribed form of competitive bidding was required. This complete independence of the Board of Education, as we have seen, was a constant challenge to the Mayor and Council from 1873 until the inauguration of the Federal Plan. Apparently no difference was recognized between the Board of Education and the numerous other boards whose independent powers it was sought to curb in the interest of efficiency and economy.

As first proposed the Federal Plan included the school system; but the scheme adopted made no change in this respect. The year following the adoption of the new city government the school organization was modelled after it. By an act of the General Assembly<sup>3</sup> legislative and executive departments were separated.<sup>4</sup> The Board of Education was made to consist of a School Council and a School Director. Power to provide for the appointment of teachers

<sup>1</sup> *Thirty-second Annual Report of the Board of Education*, 1868, p. 15.

<sup>2</sup> Passed May 1, 1873, 70 O. L., 195.

<sup>3</sup> Passed March 8, 1892, 89 O. L., 74.

<sup>4</sup> The necessity for improved business methods is forcibly stated by the President of the Board of Education in 1885 (*Thirty-ninth Annual Report*, p. 27). "The Board's methods of doing business are still those that grew up when Cleveland was a small city. They are such as are in use in small towns to-day. Without going into detail, I wish to say that the great evil of these methods is the vast amount of detailed and petty work that they throw directly upon the Board."

and employees and to fix their compensation was vested in the Council. It approved contracts involving an expenditure of more than \$250; expenditures of less amounts the Director made on his own responsibility. The Council itself was guided by a legal procedure in matters of construction or repair costing more than \$1500. The Director was the executive officer of the Board, took part in its deliberations, but had no vote. On all matters involving expenditure, the holding and transfer of property, or levying of taxes, the Director had a veto on the action of the Council, although a two-thirds vote passed a measure over his negative. The Superintendent of Instruction received his appointment at the hands of the Director, subject to the confirmation of the School Council. All employees of the Board were also appointed by the Director, with the exception of assistant superintendents, supervisors, and teachers. Warrants issued by the Director of Accounts for the payment of money from the school funds required the approval of the Director, except for the payment of teachers.

The chief objects aimed at in the reorganization in 1892 were to keep the schools out of politics and secure an efficient and responsible business administration, as well as a superintendent of instruction with permanent tenure and full authority in his department. During the dozen years of its operation the success of the plan was most conspicuous. Cleveland's school organization, as well as its unique plan of city government, had been secured by special legislation and was reluctantly surrendered in the reorganization of Ohio municipal corporations under general laws. Fortunately the new School Code adopted by the Legislature in 1904<sup>1</sup> followed to a large extent the Cleveland plan. In size the Board was made elastic, allowing Cleveland to retain its former board of seven members, five elected at

<sup>1</sup> Act of April 25, 1904, 97 O. L., 334-381.

large and two by districts. The office of Director, as executive head of the school system, is made optional, and is, of course, retained in the Cleveland organization. He is now elected by the Board of Education, however, instead of by the people. His salary remains unchanged, namely, \$5000 per annum. To the Director is given "care and custody of all property of the school district, real and personal, except moneys." With the exception of the Clerk of the Board, the Superintendent of Instruction, assistant superintendents and teachers, he appoints all employees, subject to confirmation by the Board, and may discharge them. The change most to be regretted is in the office of superintendent, who is appointed by the Board with a maximum term of five years. He appoints teachers, but his appointments must be confirmed by the Board. The responsibilities of the latter are in many ways increased.

§ 14. *Library Administration.* The Library Board, an outgrowth from the Board of Education, has also acquired independent financial powers. By the authority of an act of 1867<sup>1</sup> the Board of Education in 1869 opened a School Library and in 1871<sup>2</sup> created a Board of Managers. Members of the new Board served for two years. The President of the Board of Education acted in the same capacity for the Board of Managers of the Public Library. From time to time the Board of Education appropriated a sum, including unexpended balances, not exceeding \$500. This the Board of Managers could spend without further authorization, merely being required to keep an account of expenditures and report once a quarter. In 1873 the Board of Managers was replaced by a standing committee of the Board of Education, but in 1878<sup>3</sup> the entire management

<sup>1</sup> Passed April 3, 1867, 64 O. L., 100.

<sup>2</sup> Resolution adopted October 2, 1871.

<sup>3</sup> Act of April 8, 1878, 75 O. L., 101. By act of April 18, 1883, the



of the public library was vested in a Library Committee, appointed by the Board of Education. This method is still followed, the Library Board of seven members being appointed by the Board of Education.

§ 15. *The Fiscal Year.* We now turn to a somewhat more detailed study of the financial administration of the city. The duties and powers of the chief administrative officers have already been stated. In the following sections we shall discuss the methods by which their functions, especially those of Auditor and Treasurer, are carried on.

Among the cities of the United States the limits of the fiscal year show a great variation. As a rule, a difference also exists between the fiscal years of different departments of the same city. During the period of the first charter the city accounts were closed about the middle of March each year. After 1852 the year ended March 31st. In 1872 a state law<sup>1</sup> provided that the fiscal year in cities of the first class should end on the thirty-first of December and this date is still preserved. Accounts must be closed on that day and the annual reports required must be made for a period terminating at that date.<sup>2</sup> For the schools of the state August 31st closes the year. The fiscal year of the Library Board corresponded with the school year until 1899; beginning with 1900 the dates required of the city government were adopted. A year ending December 31st also has the advantage of uniformity with the prevailing practice in public libraries. While the reason for this variation is evident, uniformity seems highly desirable. That the condition in Ohio is not unavoidable is shown in the fact that New York, Boston, Pittsburg, Washington, and other large cities close the finances of all departments on the title of Library Committee was changed to Library Board, and "School Library" became "Public Library."

<sup>1</sup> Act of March 7, 1872, 69 O. L., 20.

<sup>2</sup> Code of 1902, § 42.

same date. The confusion in Ohio cities, however, is not so bad as that in many municipalities where as many as five different fiscal years are employed.

§ 16. *The Budget.* Total lack of anything like the modern budget characterized the first half-century of the city's history. Specific levies were made for the most important departments and upon the probable income from these levies the various boards and officers having the power to expend money had to rely. As the important objects of expenditure grew in number it was obviously impossible to provide for each by a separate levy. For many years previous to 1873 a large number of funds annually showed a deficit,<sup>1</sup> which was funded and the process repeated. The law positively required that no warrant should be drawn on a fund the resources of which were exhausted; but the provision had been consistently violated, the reason being that in the absence of any budget no department knew what would be allowed for its support. Doubtless this was insufficient excuse for recklessly spending more than could be set aside for any particular purpose, but the board system was well calculated to force the Auditor into borrowing from funds which showed a surplus in order to care for the deficit in others. In 1873, however, the Auditor sent to the Council a statement of the estimated income for the expenses of 1874 with its apportionment to the different departments, and gave warning that the law would be obeyed.<sup>2</sup> With difficulty this resolution was maintained

<sup>1</sup> In his message for 1873-4 the Mayor said: "This custom of over-drawing funds, which seems to have become a part of our municipal policy, simply means unrestrained and promiscuous expenditure of all the money in the city treasury to pay running expenses, utterly regardless of the purpose for which these funds are provided, and it has opened a door through which public debt is insidiously stealing upon us with fearful rapidity." (*City Documents*, 1873, p. 9.)

<sup>2</sup> *Council Proceedings*, February 25, 1878.

and seems to have marked the beginning of a real budget. Still for a period of years we find only what may be called a tax-levy budget. It was the duty of the Auditor to report on the amount necessary to meet the expenses of the city for the next fiscal year;<sup>1</sup> on his report the tax levy was based. As late as 1889 estimates received from the various departments were for gross amounts and the appropriations were made in the same way. Such a method undoubtedly led to extravagant expenditure.<sup>2</sup> An act passed in 1890<sup>3</sup> gave substantially the present budgetary methods of the Municipal Code. The Council was required by the first week of each fiscal half-year, to make "detailed and specific appropriations for the several objects for which the city has to provide, apportioned to each month, of the moneys known to be in the treasury, or estimated to come into it during the six months next ensuing." "Expenditures for the next six months had to be kept within the appropriations, and balances left over at the end of the year unexpended were to be recredited to the funds from which they were taken."<sup>4</sup> The result was such that the Mayor could say in 1893 regarding the preceding year: "For the first time in the history of the city the books of the department of finance show a balance to the credit of each and every fund and this without advances having been made from the taxes of the succeeding year."

At present the tax-levy ordinance is known as the "Mayor's Annual Budget of Current Expenses." As it is in form and substance an annual budget of expenditures it may be discussed at this point, rather than under the sec-

<sup>1</sup> *Revised Ordinances*, § 246. *Proceedings of the Board of Aldermen*, April 29, 1889.

<sup>2</sup> Message of Mayor Gardner, *Annual Reports*, 1889, p. xii.

<sup>3</sup> Act of April 28, 1890, 87 O. L., 342.

<sup>4</sup> *Cf. Wilcox, op. cit.*, p. 454.

tion dealing specifically with the revenue system. Under the Municipal Code the heads of the various departments are required, on or before the first Monday in March, to furnish the Mayor and Auditor an itemized estimate of the amount of money needed for their department during the next fiscal year.<sup>1</sup> The next step in the procedure for making the tax levy is a statement furnished by the Auditor to the Mayor and each member of the Council, showing the balances and monthly expenditures of each fund during the preceding year; also, the annual expenditure from each fund for each of the five fiscal years immediately preceding, as well as the average monthly expenditure from each fund for the preceding year and the total monthly average from all the funds for the preceding five years.<sup>2</sup> On April first it is the duty of the Mayor to submit the annual budget of current expenses to the Council. The Council may then omit or reduce any item, but cannot increase the total. In making up the budget the Mayor has power to alter any item in the estimates furnished by the officers, but he cannot increase the total of any estimate before submitting it to the Council.<sup>3</sup> After examining and revising the budget as submitted by the Mayor, the Council passes the tax-levy ordinance to provide the revenue required.<sup>4</sup> This ordinance is then submitted to the Board of Tax Commissioners, which is required to examine and return it to the Council within ten days, approving or rejecting the whole or any part; it may also make any suggestions it desires. In case of rejection reasons for disapproval must be given. Any part rejected by the Commission does not become valid unless again passed by the Council by a three-fourths vote of all its members. Approved by the Commission, the ordinance becomes valid and legal, as it does also if not re-

<sup>1</sup> § 35.<sup>2</sup> § 36.<sup>3</sup> § 38.<sup>4</sup> § 39.

turned within ten days.<sup>1</sup> This section of the legal procedure, however, has no significance in Cleveland; the Tax Commission approves the ordinance as a pure formality, not having the necessary familiarity with the subject to warrant criticism or rejection. As approved by the Tax Commission the ordinance is presented to the Mayor for his signature, as are all ordinances, and it requires the same publication as other ordinances. On or before the first Monday of July the Council certifies the levy to the County Auditor.

The tax levy of 1906 for the expenditure of 1907 makes for "municipal purposes" a levy of 9.65 mills, divided into four parts,—.25 mills for General Purposes, .45 mills for Public Health, 4.05 mills for Public Safety, and 4.9 mills for Public Service purposes. Special levies for Sinking Fund and interest, and pension funds bring the total up to 14.40 mills. Accompanying the tax-levy ordinance and printed as a part of it is the Mayor's Budget, giving an itemized statement of the resources and estimated disbursements of the General Fund, the Public Health Fund, the Public Safety Fund and the Public Service Fund. For each item in all the funds the amount expended in 1905, the amount expended in the first half of 1906, the amount appropriated for 1906, the department estimate for 1907, and the revised estimate for 1907 are given in parallel columns. The latter is the result of revision done in the Auditor's office. The department estimate is reduced in each case, except for the General Fund, in which it is raised in the revised estimate; for the Health Fund the estimate is reduced thirty per cent, while the others suffered a seven to ten per cent reduction. Although called a budget for current expenses, a certain amount of expenditure for outlay is included, the distinction being indicated by the headings "ordinary" and "extraordinary."

<sup>1</sup> §§ 39, 49.

The Mayor's Budget, upon which the tax levy is based, is put into effect by the semi-annual appropriations. At the beginning of each fiscal half year the Council is required to make appropriations for carrying on the functions of the corporation for the six months following. Expenditures must not exceed appropriations thus made.<sup>1</sup> To provide for an unforeseen emergency in any department the Council has authority to set aside any amount it desires as a contingent fund, from which transfers may be made to other funds.<sup>2</sup> The appropriation ordinance itself is a document of no less than thirty quarto pages; for the fiscal half year ending December 31, 1906, it consists of fifty-five sections. The arrangement of funds according to departments and functions corresponds with the Mayor's budget. On the lefthand page is printed in red the estimated resources for the last half of 1906, consisting of the cash on hand and receipts from taxes and miscellaneous sources. On the page opposite, the appropriations for the first half year and the proposed appropriations for the last half year are printed in parallel columns. Each class of expenditures is itemized in detail,—in the chief divisions of the Department of Public Service under four headings: (1) fixed charges, (2) furniture and fixtures, (3) supplies, (4) permanent improvements. In other funds the division is between ordinary and extraordinary as in the Mayor's Budget. A number of sections are added authorizing a transfer of money from one fund to another. The balance of an appropriation remaining unexpended at the end of the half year reverts to the fund from which it was taken and must again be appropriated. After its first reading the ap-

<sup>1</sup> § 43.

<sup>2</sup> The phrase "unforeseen emergency" has been strictly interpreted by Ohio courts. *Vide* citations given by Wade H. Ellis, *Ohio Municipal Code* (Annotated edition, 1904), p. 169.

appropriation ordinance is referred to the committees on Appropriations and Finance and to the City Auditor and the City Solicitor. The Auditor certifies that there is money in the treasury which, with the revenue in process of collection and anticipated proceeds from the sale of bonds, is sufficient to meet the appropriations contained in the ordinance. The Solicitor certifies that there is no legal objection to its passage. Being made up with great care item by item, the Council, although it has legal power to do so, is seldom able to make amendments.

§ 17. *Checks on Expenditure.* The budgetary method is designed to place a check upon ill-considered and unwise expenditure and to secure a just and equitable distribution of the revenues of the city. Prior to the development of the budget and along with it other checks upon expenditure have been employed. Chief among these are the rules governing the Council in matters involving money obligations.<sup>1</sup> The four years' bi-cameral experiment from 1885 to 1889 had this end in view. The restriction placed upon the power of individual officers and departments to enter into contracts has the same purpose. An act of 1890<sup>2</sup> made it illegal and punishable by fine and imprisonment for "any officer, councilman or member of an executive board to contract or vote to contract or to incur any expense or liability whatever, beyond the amount regularly and lawfully set apart for the department concerned."

<sup>1</sup> In his inaugural address in 1847 the Mayor called attention to the lack of suitable checks in the making of appropriations and allowing claims. By the city charter "four members of a bare quorum of seven," he says, "may, by simple resolution, or vote on claims preferred, thrust their hands ever so deep into the treasury." To serve as a check he recommended that "no appropriation be made, and no claim be allowed, except by a majority of all the members of the City Council concurring, vote to be taken by yeas and nays and entered on the journals." (*Cleveland Daily Herald*, March 15, 1847.)

<sup>2</sup> Passed March 24, 1890, 87 O. L., 96.

The new Municipal Code, following previous laws, requires<sup>1</sup> that before any contract or agreement is entered into or any ordinance or resolution passed involving expenditure, the Auditor must certify to the Council that there is money in the treasury to the credit of the fund from which it is to be drawn, and not appropriated for any other purpose.<sup>2</sup> Unless the money is in the treasury when the ordinance is passed it cannot take effect; it is not sufficient that the money shall come in after its passage.<sup>3</sup>

§ 18. *Payment of Claims.* The method of paying claims has undergone considerable change. In the early decades claims were presented to the Council singly or in small groups. The Council considered each individually and ordered it paid or otherwise. As payments grew too numerous to conform to this method council action came to be a formality and approval a function of its committees; then the auditor's function became a necessity. Bills were approved by administrative boards or council committees having charge of the class of expenditure concerned. An ordinance of 1880<sup>4</sup> required the signature of the president and secretary of each board, or the majority of the members of a committee. They were then referred to the City

<sup>1</sup> § 45.

<sup>2</sup> This certificate of money in the treasury is not required in case of street improvement contracts covering a year or more, or in contracts made by the Board of Health. In case the contract does not cover a year the question is determined upon whether the costs are assumed by the city or paid by assessment on abutting property. When the expense is borne by the city these contracts come within the law. (61 O. L., 288.) By act of March 21, 1904, money to be realized from the sale of bonds or notes "sold and in process of delivery" is regarded as in the treasury in the appropriate fund. (97 O. L., 44.)

<sup>3</sup> *State v. Hoffman*, 25 O. S., 328. Under former laws of this kind the restrictions have been held to apply only to expenditure of money raised by taxation. (Ellis, *op. cit.*, p. 173, n. 2.)

<sup>4</sup> October 4, 1880. *Council Proceedings*, October 11, 1880.



Auditor who examined them and certified them, if found correct, to the council committee on claims. The approval of this committee was the Auditor's authority for placing them in an ordinance for payment. This rule was not at all times carefully observed; prior to 1879 many claims were paid without being placed in the claim ordinance. This practice was finally stopped, but the whole method was so cumbersome and subjected claimants and employees to such great delays that it gave general dissatisfaction. Soon after the inauguration of the Federal Plan the method was changed so that the Council set aside a certain sum for the Auditor to disburse from; bills were examined and approved by department directors and paid at once.<sup>1</sup> In the endeavor to avoid these vexatious delays another irregularity grew up. By means of "advance orders" a part or the whole of a claim against the city was paid before the passage of an ordinance authorizing it. These transactions were not entered on the books of the Auditor or Treasurer until the claim ordinance containing the items had been passed, sometimes months after the money had been actually paid out.<sup>2</sup>

The method followed at present is very simple. A section of the appropriation ordinance authorizes the Auditor to draw warrants upon the Treasurer for the amounts appropriated in the ordinance, whenever claims presented are properly approved by the head of the department concerned.

§ 19. *Transfers.* The contingent fund is calculated to obviate the necessity of making frequent transfers between other funds. Should occasion require a transfer, however, the Code provides that the Council may secure it by a majority petition to the Court of Common Pleas. The petition states the transfer desired and the reason for it. Oppor-

<sup>1</sup> *Annual Reports*, 1893, p. xi.

<sup>2</sup> *City Documents*, 1877, p. 32.

tunity is given for the filing of objections and a public hearing.<sup>1</sup> The Council by a three-fourths vote of all members and the approval of the Mayor may transfer from one fund to another any money derived from the general property tax, after the accomplishment of the object of the fund from which the transfer is made. In earlier years transfers were effected contrary to law by means of overdrafts. Special acts of the Legislature were also occasionally resorted to as a means of effecting a transfer of funds.<sup>2</sup>

§ 20. *Accounts.* Without a proper accounting system the financial administration of a large city is almost certain to be weak and inefficient. The books of a municipal corporation should reveal in a concise way at least the cost of maintaining each function performed; but there are other objects to be accomplished and unfortunately accurate and useful accounts cannot be made entirely simple. A system should be uniform for all departments of a single city, should act as a constant check upon every department and officer authorized to collect any kind of revenue, and yet be simple enough not to involve unreasonable outlay in maintaining it.

The purpose of municipal, as of all other accounts, is to convey information: first, to those administering the affairs of the city; second, to the general public interested in the public business as citizens and taxpayers. The financial statements and accounts of Cleveland have not always served the fundamental purpose of conveying information. At times, indeed, they could not have been better constructed to conceal the most essential facts. Prior to 1860 a "system" of accounting was scarcely required to reveal the financial conditions of the city. By 1866 it would seem that a radical defect existed in the accounts, in the reports

<sup>1</sup> § 43.

<sup>2</sup> 75 O. L., 1103; 91 O. L., 769.

made by accounting officers, or in the city officials themselves. One of the greatest defects in the existing system, the Mayor declared in that year, was "the want of an intimate knowledge of our finances on the part of the various city officers, and a constant knowledge of the condition of the various funds."<sup>1</sup> Ten years later that condition is reported to have given way to a system of accounting which gave "absolute certainty at all times respecting financial states."<sup>2</sup> Notwithstanding this assertion by the Mayor, the expert accountant employed by a citizens' investigating committee the next year reported that there was no evidence that the city had any outstanding liabilities or was possessed of any assets, although there were at the time bonds outstanding to the amount of \$5,160,000.<sup>3</sup> The same committee reported that prior to 1877 no itemized account of expenses incurred in marketing bonds had ever been kept, the amount being "approximated or guessed at."<sup>4</sup>

Plenty of evidence exists that the Council was not indifferent to the defects in the accounting system, but the problem was greatly exaggerated by the disjointed system of boards with independent powers. A great forward step was taken when in 1886, in response to a demand voiced by the Mayor in his annual message,<sup>5</sup> the state Legislature passed an act giving to the Board of Revision the authority to prescribe for each department of the city government forms for its books, accounts and reports, and to formulate and enforce a uniform system of accounting.<sup>6</sup> The design was to reflect the entire business of the city in the Auditor's books. Something was accomplished in this di-

<sup>1</sup> *City Documents*, 1866, p. 6.

<sup>2</sup> *City Documents*, 1876, p. 18.

<sup>3</sup> *Council Proceedings*, October 15, 1877.

<sup>4</sup> *Ibid.*, February 18, 1878.

<sup>5</sup> *Annual Reports*, 1885, p. xvi.

<sup>6</sup> Act of May 15, 1886, 83 O. L., 169.

rection,<sup>1</sup> yet the necessity for "more systematic methods of keeping accounts" was urged as one of the reasons for a radical change in the system of municipal government and was one of the influences which ultimately brought about the introduction of the Federal Plan.<sup>2</sup> Soon after the adoption of the centralized system a scheme of accounts and reports was worked out which justly attracted attention throughout the country as a model of excellence. A concentration of the accounts of all departments in the Auditor's office was effected by daily reports; weekly reports were made by the Auditor to the Council. Data regarding property in possession of the city were also collected.

The excellent accounting system, dating from about 1893, was maintained until changes were made necessary by the uniform accounting law passed by the Legislature in 1902. Reference will be made to this enactment in a succeeding section.

§ 21. *Financial Reports.* It is to be expected that the published reports of the city should reflect all the virtues and defects of the accounting system. From 1836 until 1875 the Auditor's reports consisted of a statement of receipts and disbursements of each of the several funds. In the receipts balances on hand, transfers from other funds, tax receipts and income of all sorts are entered chronologically and added. The statement of disbursements is made up of a list containing every payment from the fund, arranged in the order in which they were made. As long as there were no more than half a dozen funds and the general fund—which was always the largest—did not cover more than two or three printed pages, some idea could be gained of the receipts and expenditures by running

<sup>1</sup> *Annual Reports*, 1887, p. xiii.

<sup>2</sup> *Proceedings of the Board of Councilmen*, December 3, 1888.

through the pages. Later this became utterly impossible. No summary of actual receipts and disbursements was given for all departments and much study is required to determine what the report contains. At last the method broke of its own weight. The Auditor's report for 1875, closely printed in small type, covers one hundred and seventy pages; it embraces the statement of two hundred and twenty-six funds, arranged on no principle whatever. The ledgers were evidently used for printer's copy,—with the index omitted. It is not surprising that in the following year the Auditor makes no report at all of receipts and disbursements. The absurd condition of 1875 was simply the result of following without modification a method fairly adequate thirty or forty years earlier. Doubtless one of the chief causes of extravagant and wasteful expenditure in the decade beginning with 1870 can be traced to these unintelligible reports.

Bad as the financial reports were before 1875, they were far worse for several years following that date. For the hundreds and thousands of items in each fund as previously reported a simple statement of total receipts and expenditures in each of the principal funds was substituted. By much labor the former could be made to give up its kernel of truth; nothing but a general and approximate result could be obtained from the latter. Finding no details in the Auditor's report the inquirer turns to the annual reports of the various departments. While the fiscal years of the different offices did not correspond and reports in many cases overlap, it is generally possible to ascertain the facts. It was probably the utter uselessness of the Auditor's report that led the Council in 1879 to adopt a resolution requiring the departments to incorporate in their reports all matters of a financial nature.<sup>1</sup> Beginning in 1893 the annual re-

<sup>1</sup> *Council Proceedings*, December 24, 1879.

port of the Auditor indicates the source of all receipts and the purpose of expenditures. Although not making use of the present classification into "ordinary" and "extraordinary," cost of maintenance can be distinguished from outlays by means of the division into "operating expenses" and "permanent improvements."

§ 22. *Examination and Supervision of Accounts.* The final step in financial administration is an examination of the accounts and reports of financial officers by some other department of the city government. Instead of this, or along with it, the state may also examine the accounts of local fiscal officers. A double system of auditing of this sort has recently been introduced in Cleveland.

In its efforts to exercise some effective control over the different departments, the Council in 1878 created a standing committee on Department Examination, with full powers to investigate accounts and records and to examine city officers at any time.<sup>1</sup> Although the powers of this committee were curtailed by an amendment of the council rules two years later,<sup>2</sup> it still retained more delegated powers than any other committee of the Council. Unfortunately it soon became practically a dead letter, rarely meeting and exercising none of the supervision over departments that was intended.<sup>3</sup> Under the Federal Plan the Mayor was authorized to appoint, if occasion demanded it, disinterested persons not exceeding three in number, to examine without notice the affairs of any officer or employee, and the result was immediately transmitted to the Council. On the strength of this authority Mayor Johnson appointed a Departmental Examiner, for continuous service. Being directed by the new Code<sup>4</sup> to supervise the conduct of all

<sup>1</sup> *Council Proceedings*, February 4, 1878.

<sup>2</sup> *Ibid.*, May 3, 1880.

<sup>3</sup> *Annual Reports*, 1886, p. xxii. *Proceedings of the Board of Aldermen*, February 8, 1886.

<sup>4</sup> § 129; R. S., § 1747.

officers of the corporation, it was held that the Mayor had implied authority to appoint the necessary assistants. The Departmental Examiner was, therefore, continued after the repeal of the Federal Plan, although at present no such officer is employed.

By a statute of 1898<sup>1</sup> the accounts of the Board of Education were examined by a committee, appointed by the Court of Common Pleas, and the City Solicitor. The need for such an independent examining body was pointed out by the City Auditor several years earlier. "The Board," he said, "should not permit any good-natured feeling of confidence in its officers to stand in the way of a systematic performance of their duty" to examine thoroughly all accounts.

In 1902 the state began to develop a system of supervision over the accounts of municipalities and other local taxing bodies. State supervision, though of a less thoroughgoing character, had been tried at least twice in earlier years, but without the desired results. A law of 1856<sup>2</sup> required the clerks of cities of the first and second classes to report annually to the Auditor of State the aggregate expenses of the city for the preceding year, the general and special taxes of the city, and the population. A fine of \$100 was imposed on the clerk for neglecting to make the report. It is not apparent, however, that the law was ever enforced. A similar law in 1870<sup>3</sup> required auditors of cities of the first and second classes to report annually to the Auditor of State the expenditures of the municipality, under the following heads: schools, police, streets, bridges, fire department, lights, poor, salaries, and interest. The

<sup>1</sup> Act of March 30, 1898, 93 O. L., 517.

<sup>2</sup> Act of April 5, 1856, 53 O. L., 57.

<sup>3</sup> Act of April 18, 1870, 67 O. L., 71.

act also called for a statement of the amount of money raised by taxation. For a few years such returns were made and published in the reports of the Auditor of State, but no effective state control resulted.

The law of 1902<sup>1</sup> was the first important enactment in Ohio, or in any other state in the Union, for standardizing the accounts and reports of all local political units through state authority. The act established in the Auditor of State's department a "bureau of inspection and supervision of public offices." The Auditor is *ex-officio* chief inspector and supervisor and is required to prescribe and install a uniform system of accounting and reporting for "every public office and every public account." These prescribed forms are expected (1) to make a true and detailed exhibit of all moneys collected and expended by public officers, (2) to show "the receipt, use and disposition of all public property" and any income derived from it, (3) to state the sources of all income, amounts due and amounts received. Separate accounts are required for each public service industry, exhibiting (1) the "true and entire cost" of its ownership and operation, (2) the amounts annually collected by general or special taxation for service rendered to the public, together with "the amount and character of the service rendered therefor," (3) the amount annually collected from private users, and "the amount and character of the service rendered therefor." The chief inspector or his legal representative once a year at least makes an examination of the financial affairs of each office and officer. The points considered in the examination include: (1) the financial conditions and resources of the municipality or other unit; (2) conformity with the laws and ordinances in

<sup>1</sup> Act of May 10, 1902, 95 O. L., 511.



force in the district and the requirements of the Bureau of Inspection and Supervision; and (3) the methods and correctness of accounts and reports. Each district having taxing power bears the expense of auditing all accounts under its own jurisdiction.<sup>1</sup> In Cleveland the form of the Auditor's report has been greatly modified to conform to the general methods. The transformation is not yet complete, but it is doubtful whether much has been gained in the way of clearness and intelligibility.

<sup>1</sup> The constitutionality of this provision was sustained in *State v. Shumate*, 72 O. S., 487.

## CHAPTER III

### REVENUES

§ 23. *Introductory.* It is the purpose of this chapter to give an account of the city's revenues. The main sources of information for both revenues and expenditures are the reports of the City Clerk prior to 1854, of the Auditor, Clerk, or Comptroller since that date, and the reports of the Clerk or Auditor of the Board of Education. Previously to 1893 two principal difficulties are encountered. First, certain revenues did not pass through the Auditor's hands and have to be sought in the reports of other departments. This was true of the Board of Cemetery Trustees, the Water Works Department, and of certain funds managed by the Board of Health, and the House of Correction. To add to the confusion special assessments for street improvements are not separated from other levies on property, and in some years not reported at all. In the early years funds raised by the sale of bonds and notes are not reported by the Auditor in such a way that their amount can be determined. The second difficulty is related to the first; receipts of the various funds are often given in a lump sum, with no indication as to the sources. In other words, receipts were classified according to the funds to which they were credited, if indeed such a method may be called a classification.

The method of classifying revenues now regarded as on the whole the most scientific has as its basis the character and source of the income. In the use of this principle

students of municipal finance have worked out classifications agreeing in their main features, though varying somewhat in details. The scheme adopted here and applied to the revenues of Cleveland is practically identical with schedules now used by the United States Bureau of the Census. It is as follows:

- I. General Property Taxes.
- II. Special Assessments.
- III. Public Service Privileges.
- IV. Licenses, Permits, and Fines.
- V. Gifts.
- VI. From other Civil Divisions.
- VII. From Sales of Property.
- VIII. Receipts from Interest.
- IX. Departmental Receipts, classified by Departments, Offices and Accounts.
- X. Receipts of Municipal Industries.
- XI. Receipts from Loans.
- XII. Receipts of Trust Funds.

In the classification of neither receipts nor expenditures are the terms "ordinary" and "extraordinary" employed; they are not necessary for an accurate division of income according to sources. In the administration of the Ohio uniform accounting law a composite schedule was adopted and this arbitrary and misleading distinction made. No general agreement has been reached as to the meaning of the terms when applied to receipts. In the Ohio reports "ordinary" is made to "include the income from taxation and other *ordinary* sources," while "extraordinary" receipts consist of "income from sales of bonds, temporary loans, sales of city property, etc."<sup>1</sup> Special assessments are regarded as extraordinary in some cases and ordinary

<sup>1</sup> *Comparative Statistics, Cities of Ohio, 1904*, p. 10.

in others; "advance taxes" are classed as extraordinary receipts. The least that can be said is that such a distinction is arbitrary, useless, and almost certain to confuse the source of the income with the use made of it. In this work the terms are therefore not used, but it will be apparent that our statistics of receipts can be arranged in any desired order and described by whatever terms may be regarded as significant or useful.

It should be noted that in the statistical tables "receipts" and "disbursements" are necessarily given. The more scientific method of revenue and expense accounting in use in English and continental cities is not practicable in the United States and has never been attempted in Cleveland.

§ 24. *Sketch of General Property Tax in Ohio.* The taxing power of a municipal corporation is delegated by the state and strictly limited.<sup>1</sup> Ohio municipalities are further confined to a fixing of the rate within definite limits imposed by state laws; county and state officers make the assessments and collect the taxes. As a source of revenue, therefore, the property tax is not under the control of local authorities. As regards certain less important sources of income local autonomy is greater. The result is that a city frequently finds itself helpless to correct the gravest abuses in its taxing system.

It is foreign to the purpose of the present study to undertake an adequate history of taxation in Ohio. The essential features of the general property tax, however, differ but slightly from state to state.

Prior to 1825 the general property tax was not employed in Ohio. State and local revenues were derived from separate sources. For the state the principal source was the land tax raised by specific levy laid by the Legislature on

<sup>1</sup> Cf. *Mays v. Cincinnati*, 1 O. S., 268.

each one hundred acres. Lands were divided into three grades. The rate for first-class land varied from \$0.60 in 1803 to \$3.75 in 1816 and then sank to \$1.50 in 1825. On second-class lands the rate varied in the same way from \$0.40 to \$3.00 and back to \$1.12; and on third grade land it was from \$0.20 to \$2.00. Horses and cattle were assessed at a given amount per head;<sup>1</sup> and a license on auctioneers, merchants and peddlers contributed to the slender revenues of the frontier commonwealth. For state taxes no valuation was attempted, but for local purposes land and buildings were appraised and taxed according to their value. Of the land tax the county received in most years a share, varying from one-eighth to one-half of the total amount collected. A road tax was also assessed on land in the same manner as the state tax. In 1820 the road tax on first grade land in Cuyahoga county was \$1.00 per hundred acres, \$0.75 for second grade land, and \$0.50 for third grade. Each proprietor was permitted to pay his tax by work on the roads under the direction of the township supervisor at the rate of seventy-five cents a day.<sup>2</sup>

The statistical tables show certain receipts in the years 1837-1852 from "Poll Taxes." Capitation taxes were forbidden by the Constitutions, both of 1802<sup>3</sup> and 1851;<sup>4</sup> but the road tax noted above and especially the requirements of a statute of 1837,<sup>5</sup> re-enacted several times, were commonly known as poll taxes. By the latter act "all male persons between twenty-one and sixty years of age" who had resided in the state three months and were not a township charge were liable every year to two days' labor on

<sup>1</sup> 1 Chase, 369, 470; 2 Chase, 1384, 1470.

<sup>2</sup> *Vide Cleveland Herald*, June 23, 1820.

<sup>3</sup> Art. viii, § 23.

<sup>4</sup> Art. xii, § 1.

<sup>5</sup> Act of June 1, 1837, 35 O. L., 65. A later act of the same nature was held valid in *Dennis v. Simon*, 51 O. S., 233.

the roads, under the direction of the supervisor who, in Cleveland, was appointed by the Council. In spite of fines and forfeitures for delinquencies only a small part of the tax or labor was realized. An amendment to the charter in 1847 granted the supervisor, in lieu of any fixed salary, a percentage of the poll tax collected.<sup>1</sup> The result was a remarkable increase from \$350 collected in 1847 to \$1,300 in 1848. In the latter year about one-third of the whole amount was "worked out" on the streets at fifty cents a day.<sup>2</sup>

In 1825 the idea of a general valuation for both state and local taxes was inaugurated.<sup>3</sup> The law<sup>4</sup> of that year abandoned the classification of land into different grades and attempted to assess town lots and other land at its true value in money. As a result of the first valuation the average value of lands in Cuyahoga county was \$3.33 per acre, including the village of Cleveland. The total value of lands in the village was \$119,655, and in the whole county \$876,782.

As yet there was comparatively little personal property. Animals were still subject to assessment by the General Assembly at a given sum per head. The small amount of mercantile capital was reached through a license on merchants and brokers. Property in the form of mills and factories was specifically exempted in order to encourage industrial enterprises of this sort.<sup>5</sup> With the growth of

<sup>1</sup> Act of February 8, 1847. Cf. *Daily Herald*, March 15, 1847.

<sup>2</sup> *Daily Herald*, March 17, 1848.

<sup>3</sup> It is interesting to note in this connection that Cleveland claimed the distinction of having sent to the Legislature the men responsible for the general law for valuation of land in 1825 and for the general property tax of 1846. The former was Leonard Case and the latter Alfred Kelley. (Cf. the *Cleveland Daily Herald*, April 11, 1850.)

<sup>4</sup> Act passed February 3, 1825, 23 O. L., 58.

<sup>5</sup> Act passed February 23, 1824, 22 O. L., 277.

towns and cities new forms and increasing amounts of personal property appeared. Horses and cattle paid in 1844 one-sixth of the taxes in the state and nearly three times as much as merchants' capital, steamboat stock and money at interest; and a strong sentiment arose in favor of obliging these new forms of property to bear their fair share of taxation. The result was the "Kelley" law of 1846,<sup>1</sup> which, it was boasted, "taxes those who are able to pay. It taxes articles of pride and luxury, as well as lands, houses and money."<sup>2</sup> In the cities especially was felt the necessity for a wider range of taxable property. The Mayor of Cleveland in 1840 complained that the citizens were oppressed with the weight of taxation, that some had experienced great difficulty in paying their taxes, and that others had been obliged to allow their property to be sold.<sup>3</sup>

The Kelley law bore the title, "An act for levying taxes on all property . . . according to its true value." A definition of real property was given and provision made for its valuation every six years. Special effort was made to include property of every kind. Personal property was defined as, (1) "every tangible thing animate or inanimate," (2) "capital stock, undivided profits, and all other means" of companies, "whether incorporated or unincorporated." Another tax law in 1852 followed closely the lines laid down by the Kelley law. An act of 1859<sup>4</sup> simply codified and re-enacted existing statutes. The tax system was again revised in 1878<sup>5</sup> and has stood practically without change un-

<sup>1</sup> Act of March 2, 1846, 44 O. L., 85. This act is generally known as the "Kelley" law, because it was championed by Alfred Kelley, of Cleveland.

<sup>2</sup> *Daily Herald*, March 12, 1846.

<sup>3</sup> *Ibid.*, March 18, 1840.

<sup>4</sup> Passed April 5, 1859, 56 O. L., 175.

<sup>5</sup> Act of May 11, 1878, 75 O. L., 436.

til the present time, so far as the general property tax is concerned. It is apparent, therefore, that during almost the entire history of Cleveland the property tax has remained upon the same basis. The principal changes to be noted are the reduction of the rate for state purposes and the great growth of local levies.

§ 25. *Real Estate.* Real estate bears the chief burden of taxation in Cleveland, its assessed value being nearly three times that of personal property; in two years only—1868 and 1869—has the value of personal property exceeded that of real property. For the state as a whole the proportion of personal property to real is somewhat above that for the city of Cleveland.

Real estate in the city in 1840 was valued at \$1,222,914. In 1846, at the time of the introduction of the general ad-valorem tax, it stood at \$2,619,933; the valuation made in 1861 showed an increase to \$14,473,875. Since 1863 real estate has been appraised every tenth year. The greatest percentage of increase resulted from the appraisement of 1870. During the period intervening between decennial appraisements the increase is usually slight. It is a most patent fact that real estate is grossly undervalued. Something like a true value was doubtless obtained before 1860. In 1867, however, it was estimated that the real value was forty to sixty per cent higher than the assessed valuation;<sup>1</sup> the same condition existed in 1880.<sup>2</sup> At the present time it is the opinion of those who have studied the question that the actual value of land alone in the city amounts to \$400,000,000, or nearly double the assessed value of both land and buildings, and all personal property together.

The relative burden of taxation on real estate in Cleve-

<sup>1</sup> *City Documents*, 1867, p. 7.

<sup>2</sup> *Proceedings of the Board of Councilmen*, March 26, 1888.



land was made the subject of inquiry by the state Tax Commission in 1893. It was found that the most productive real estate in the city—first-class office buildings, stores and warehouses—paid from eleven per cent to twenty or twenty-five per cent of their gross rentals in taxes; small properties paid even a larger proportion. Banks in the state paid about twenty per cent of their net earnings, and the railway companies from five to eleven per cent of their net earnings, the majority of them less than eight per cent.<sup>1</sup>

§ 26. *Money and Credits.* Money at interest was made taxable in 1831,<sup>2</sup> again in 1845,<sup>3</sup> and by the Kelley law in the ensuing year. The latter elaborately defined “moneys” and “credits” and allowed deductions of debt in listing them. The Constitution of 1851 required the taxation of all credits;<sup>4</sup> but contrary to the spirit of this provision the Legislature in the next year enacted a law<sup>5</sup> permitting a deduction of indebtedness as in 1846. The statute was, however, declared unconstitutional.<sup>6</sup> One dissenting member of the court, apparently, gave the cue to the lawmakers, and in 1859 credits were defined as “the excess of the sum of all legal claims and demands” over liabilities.<sup>7</sup> “Credits” were therefore taxed and the letter of the Constitution complied with. The definition of 1859 and the methods it introduced are still in vogue as the law of the state.<sup>8</sup> The provision of 1852 permitting individuals to deduct their actual indebtedness from their credits was asserted to be

<sup>1</sup> *Report of the Ohio Tax Commission*, 1893, pp. 37, 38, 40.

<sup>2</sup> Act of March 14, 1831, 29 O. L., 272.

<sup>3</sup> Act of March 13, 1845, 43 O. L., 109.

<sup>4</sup> Art. xii, § 2.

<sup>5</sup> Act of April 13, 1852, 50 O. L., 135.

<sup>6</sup> *Exchange Bank v. Hines*, 3 O. S., 1.

<sup>7</sup> Act of April 5, 1859, 56 O. L., 175.

<sup>8</sup> R. S., § 2730.

the cause of the great decrease in the amount of personal property on the duplicate.<sup>1</sup> Shrinkage is shown in the grand duplicate of the state, the value of personal property falling from \$297,061,572 in 1854 to \$240,026,550 in 1856<sup>2</sup> and in Cleveland from \$8,705,866 in 1853 to \$3,753,008 in 1856. In 1880 the total credits for Cuyahoga county were \$3,282,071, having fallen over a million from 1875. The whole amount of moneys on the duplicate in possession or on deposit subject to order was \$1,493,488 and has not grown much since that time. In contrast with this may be placed a report of the Board of Equalization made to the Council in 1879,<sup>3</sup> showing that the deposits in Cleveland banks amounted to not less than \$18,000,000. The report further shows that in respect to the amount of credits returned per capita of voting population Cuyahoga ranked tenth among the counties of the state. At the same time the Cleveland Board of Trade was claiming for the county a commercial importance which entitled her to rank second in the state, with the third far below.

A few months later the Council by resolution called attention to the fact that moneys and credits were escaping taxation in Cleveland and demanded legislation which would "secure the lasting and proper valuation of personal property, or impose severer penalties for concealment, for misrepresentation and fraud."<sup>4</sup> The subject was for some time kept before the Council, although of course it could do nothing but "recommend" and "request." A special committee of that body in 1883 investigated the way in

<sup>1</sup> *City Documents*, 1857, p. 4.

<sup>2</sup> *Annual Report of the Auditor of State*, 1905, p. 325.

<sup>3</sup> *Council Proceedings*, July 21, 1879. The State Tax Commission reported in 1893 that in the city of Cleveland only about three per cent of moneys on deposit in banks were returned for taxation (p. 34).

<sup>4</sup> *Council Proceedings*, December 29, 1879.

which individuals listed their personal property. Twenty-three millionaires, believed to possess property worth \$23,000,000, listed in personalty of all kinds,—investments, credits, household furniture, horses, carriages, watches and jewelry,—but \$1,943,735. Sixteen of the twenty-three returned no money at all in possession or on deposit; thirteen of the twenty-three listed nothing in the way of investments in bonds, joint stock companies, annuities, or other kinds of investments. None of them returned jewelry, diamonds or other precious stones; seven returned nothing at all but horses, carriages, and household goods. The cause for this condition was found in the “incompetency of the assessors and the leniency of the Board of Equalization,” and the fact that the latter possessed insufficient powers. As a remedy it was recommended that the compensation of assessors be increased to \$15 or \$20 a day. This, it was believed, would insure the selection of competent men and bring about an active criticism of their work by competitors for their positions.<sup>1</sup>

§ 27. *Corporations.* The law of 1846 sought to reach corporations, just then beginning to have some importance, by a tax on capital stock. All corporations, except banks, were by the general act of 1852<sup>2</sup> required to list real and personal property in the state, including money and credits, at its value in money. In 1859<sup>3</sup> the law was re-enacted with special reference to the roadbed and other realty of the railroads. To-day all corporations not otherwise provided for pay the general property tax for state and local purposes. Experience in Ohio, as elsewhere, demonstrates the futility of applying the general property tax to corporations; and the evils of the system are probably exaggerated

<sup>1</sup> *Council Proceedings*, September 3, 1883.

<sup>2</sup> Passed April 13, 1852, 50 O. L., 145.

<sup>3</sup> Act of April 5, 1859, 56 O. L., 183.

by the system of virtual self-assessment. In 1883 the gas, telephone, and street railway companies of the city listed personal property to the amount of \$237,106. The capital stock of the same companies was \$3,100,000, and was supposed to be worth as much in the market. Charges of fraud in the listing of property by corporations were investigated in that year. Eleven corporations with a capital stock of \$11,706,000, having a market value of \$63,549,000, listed their property at \$2,526,402. A wholesale evasion of taxation has long been practiced by the lake transportation companies. At least as early as twenty-five years ago,<sup>1</sup> the practice began of incorporating companies with legal headquarters just outside the city in some small town in the rural counties. Returns made by vessel owners in Cuyahoga county in 1906 were \$296,250. In 1892 they amounted to \$1,085,760.<sup>2</sup>

The present plan of railroad taxation was inaugurated in 1862;<sup>3</sup> prior to that date railroads were not differentiated from other corporations. In 1846, when the Kelley law was passed, the total amount of taxes paid by railroads in the state was \$4. Four years later it was \$484; but it increased the next year to \$13,530, of which \$5,300 was paid to Cuyahoga county.<sup>4</sup> Railroad property is annually appraised by boards consisting of the auditors of the counties through which the roads run. Great dissatisfaction has constantly been felt with this crude method of railway taxation. In face of the assured validity of the Nichols law the excuse of constitutional limitation cannot be given as a reason for failing to adopt a better method.

<sup>1</sup> *Council Proceedings*, April 30, 1883.

<sup>2</sup> Report of the Cleveland Board of Equalization and Assessment, *Annual Reports*, 1892, p. 905.

<sup>3</sup> Act of May 1, 1862, 59 O. L., 88.

<sup>4</sup> *Annual Report of Auditor of State*, 1873, p. 272.

§ 28. *Taxation of Express, Telegraph and Telephone Companies.* Express, telegraph and telephone companies are the only corporations assessed on intangible values. Under the Nichols law <sup>1</sup> the state board of appraisers and assessors is permitted to employ, in addition to capital stock, "such other evidence and rules" as are necessary to secure a true value in money of the company's property. Promptly upon its passage the constitutionality of this method of assessing specified corporations was attacked, but it was sustained in the Supreme Court both of the State and of the United States.<sup>2</sup> The Auditor of State apportions the valuation of telephone and telegraph companies according to the length of lines in each county as compared with the length of lines of wire in the state. Property of express companies is apportioned on the basis of gross receipts of the company. In 1905 the valuation of the eight express companies doing business in the state was \$254,855 for Hamilton county (Cincinnati) and \$143,150 for Cuyahoga. The value of telegraph property on the duplicate of Cuyahoga county exceeds that for Hamilton.<sup>3</sup>

Certain corporations doing business in the state pay no property taxes at all, state or local, being exempted by law. These are sleeping-car companies and freight line and equipment companies.<sup>4</sup> They pay to the state, however, a tax of one per cent on the value of their capital stock represented by property in Ohio.

§ 29. *The Tax Inquisitors.* No single feature of the Ohio tax system has attracted greater attention than the

<sup>1</sup> Act of April 27, 1893, 90 O. L., 330.

<sup>2</sup> *State v. Jones*, 51 O. S., 492. *Adams Express Co. v. Ohio State Auditor*, 166 U. S., 185.

<sup>3</sup> *Report of Auditor of State*, 1905, pp. 556-595.

<sup>4</sup> R. S., §§ 2780-13.

so-called tax inquisitor.<sup>1</sup> He is a logical, if not a necessary, corollary of the personal property tax. The Legislature following the one which enacted the Kelley law found it necessary to give auditors power to correct false returns<sup>2</sup> by a law that still forms a part of the tax system.<sup>3</sup> In 1848 the matter of false returns and listing again received attention in a provision retained in the general revision of 1852. The escape of intangible personal property became so notorious in the larger cities that in 1880 a special act<sup>4</sup> was passed, legalizing for Hamilton county a practice previously followed, of paying private persons a percentage of the taxes collected on omitted property which they might be the cause of bringing on the duplicate. An act of 1876<sup>5</sup> had led directly to this step by allowing the auditor additional compensation of five per cent for putting omissions on the tax list. In 1885 a second act was passed, authorizing the counties of Hamilton and Cuyahoga to make contracts for paying a percentage of the receipts to persons giving information that would result in putting property on the duplicate.<sup>6</sup> An act of 1888<sup>7</sup> applied the principle to the rest of the state, without repealing the former law. By it twenty per cent of the amount recovered could be paid to the inquisitors. The principal efforts of these officers were directed to ascertaining what foreign stocks and bonds were not listed.<sup>8</sup> Both acts—1885 and 1888—had a

<sup>1</sup> *Vide* monograph by Professor T. N. Carver, *The Ohio Tax Inquisitor Law*, in the *Economic Studies* of the American Economic Association, vol. iii, no. 3, 1898, for a full discussion of the inquisitor system and its results.

<sup>2</sup> Act passed February 8, 1847, 45 O. L., 60.

<sup>3</sup> R. S., §§ 2781-2782. <sup>4</sup> Passed April 14, 1880, 77 O. L., 205.

<sup>5</sup> Passed April 11, 1876, 73 O. L., 221.

<sup>6</sup> Act of April 20, 1885, 82 O. L., 152.

<sup>7</sup> Act of April 10, 1888, 85 O. L., 170.

<sup>8</sup> *Report of Tax Commission*, 1893, p. 23.

tendency to induce auditors and assessors to be remiss in the performance of their duties, in order to share in the large remuneration of the inquisitors.

In June, 1906, the Supreme Court of the state declared the law permitting the employment of tax inquisitors to be unconstitutional.<sup>1</sup> The two acts were found to be repugnant to the section of the Constitution<sup>2</sup> which requires all laws of a general nature to have uniform operation throughout the state. The way would still be open for the auditor to employ agents for the purpose of ferreting out unlisted personal property. A salary law for county officials, however, took effect January 1st, 1907, under which fees cannot be collected. In case inquisitors are not provided for by new legislation, it will be interesting to see what effect the salary law and the lack of a special inquisitor have upon the returns of personal property.

§ 30. *Assessors.* The collection of general property taxes in Cleveland has always been in the hands of county officers and, for the most part, assessment has been under the direction of county officials. In 1853 an amendment to the code of the preceding year permitted the city to levy and collect its own taxes.<sup>3</sup>

Apparently without exception, annual assessors and decennial appraisers were elected by wards or districts until 1890. Needless to say, they were frequently not selected with reference to their special fitness for the work, even in case of decennial assessors of real estate. The salary was not sufficient to secure men of business training. In 1890 appointment took the place of election. Assessors, not exceeding twenty, divided equally between the two dominant political parties, were named by the Tax Commission at a

<sup>1</sup> *State v. Lewis, and Thomas v. State*, 74 O. S., 403.

<sup>2</sup> Art. ii, § 26.

<sup>3</sup> Act of March 11, 1853.

salary of \$4 a day for the time actually employed. The Legislature which enacted the Federal Plan also passed a law giving Cleveland forty assessors to be appointed by the county auditor, not more than half of them from the same political party, and all appointments to be approved by the Tax Commission,<sup>1</sup> the salary remaining unchanged. A similar law still provides for appointment by the county auditor of not over forty-two assessors and as many assistants as he thinks necessary. The provision also remains that not more than half of the assessors shall be of the same party. Each assessor and assistant receives \$4 a day for the time he is actually employed, and is required to give bond for \$1000 to be approved by the Tax Commission.<sup>2</sup>

§ 31. *Boards of Equalization.* From the assessors the data relating to valuation pass into the hands of a board of equalization, and of such boards Cleveland has had a considerable variety.

By a special act for cities of the first and second classes,<sup>3</sup> in 1882 an annual city board of equalization was created. It was composed of the county auditor and six citizens appointed by the Council. Its function was to equalize real and personal property, moneys and credits. In Cleveland alone the Board could also sit as a Board of Revision. Appointment by the Council apparently did not secure the end in view; in 1888 the Board of Aldermen took action to have the law changed so that the Council could remove members of the Board for "just cause."<sup>4</sup> With the adoption of the Federal Plan, the power of appointing the Annual Board was transferred from the Council to the Mayor.<sup>5</sup>

<sup>1</sup> Act passed April 23, 1891, 88 O. L., 341.

<sup>2</sup> R. S., §§ 1517-3.

<sup>3</sup> Passed April 18, 1881, 78 O. L., 179.

<sup>4</sup> *Proceedings of the Board of Aldermen*, February 24, 1888.

<sup>5</sup> Act of April 23, 1891, 88 O. L., 370.



In 1892 the numerous tax boards were merged into one Board of Equalization and Assessment. The new Board thus became the legal successor of the Annual City Board of Equalization, the Board of Revision, the Decennial City Board of Equalization, and the Board of Tax Commissioners. The latter had been created in 1883<sup>1</sup> to supervise the levying of taxes by the Council and Board of Education. It was made up of the Mayor, Auditor and three citizens appointed by the common pleas court. In addition to passing upon the tax levies made by the Council and the Board of Education, the sanction of the Board was necessary for every ordinance passed by the Council for the appropriation of money. Besides the work of the four former boards the new body was also required to act as district assessor of real estate in each decennial year, and for this purpose could appoint assistants and fix their salaries, subject to the approval of the Council. In addition it could be called upon by the Council to act as a board of equalization for street improvements. It also made the annual appointment of assessors.<sup>2</sup> This Board of 1892 is interesting as a part of the general scheme of centralization and checks and balances inaugurated by the Federal Plan. It consisted of three members, not more than two of whom could belong to the same political party, appointed by the Probate Judge. The idea in locating the appointing power outside of the municipal government was to secure through the Board an efficient check or veto upon acts of the municipal administration in matters of tax levy and expenditure. Members of the Board were required to give their entire time to the duties of their office, to hold daily

<sup>1</sup> Act of April 16, 1883, 80 O. L., 124.

<sup>2</sup> Report of the Cleveland Board of Equalization and Assessment, *Annual Reports*, 1892, pp. 901-908; 89 O. L., 283.

sessions, and to keep a record of their proceedings. In the way of securing better returns on personal property a good work was begun. In its other functions, manned by capable and honest men, the Board would have done excellent service. It was, however, declared unconstitutional, as a law of a general nature applying to a single locality.<sup>1</sup>

Real estate is appraised every ten years by appraisers elected in districts. Their duty is to ascertain the actual money value of each parcel of land and its improvements.<sup>2</sup> In cities returns of appraisers are equalized by a Decennial Board composed of the Auditor and six citizens,<sup>3</sup> nominated by the Mayor and confirmed by the Council. In Cleveland and in all the more important cities of the state this board has been superseded by a Board of Review, which the Legislature created in 1902.<sup>4</sup> It is composed of three citizens appointed for a term of five years by the state board of appraisers and assessors upon written application of the county auditor. When appointed it assumes all the powers and duties committed to the Annual and Decennial City Boards of Equalization, the Annual City Board of Revision, and the Decennial Board of Revision. The Board of Review is quite generally regarded as the creature of corporate interests and designed to restrain the efforts of the Cleveland city administration to raise the valuation of the public service corporations.

A constant struggle for control of boards that have to do with the valuation of property seems to be a necessary part of a system of general property taxes. Cleveland has almost succeeded at times in securing direct responsibility through appointment by the Mayor or Council. So

<sup>1</sup> *Gaylord v. Hubbard*, 56 O. S., 25.

<sup>2</sup> R. S., §§ 2790-2792.

<sup>3</sup> R. S., § 2815.

<sup>4</sup> Act of May 10, 1902, 95 O. L., 481.



far, however, special interests by use of state machinery have been able to thwart the undoubted will of the people.

§ 32. *The Tax Limit.* As a rule the municipal levies have been held within a rather narrow statutory limitation. This limit has applied to school levies, and levies for current expenses of the city, though not usually to taxes for interest and debt payment. A comparison of the actual municipal rate and the maximum legal rate shows that on the whole Cleveland has pressed close to the limit imposed, and that the state, rather than the local authorities, have been relied upon to keep the tax rate down to a proper level.

The tax limit for the village was placed at one per cent. An unlimited rate characterized the charter of 1836, but in 1841 a law was passed setting a maximum of five mills.<sup>1</sup> The general municipal act of 1852 fixed the limit of the levy for general purposes at five mills; for special funds of the police and fire departments, charities and correction, water-works, schools, sinking fund and interest eleven and a half could be levied in addition, making a total of sixteen and one-half mills. In 1856<sup>2</sup> the maximum was reduced to five mills on the dollar, levies for interest, debt and all special assessments being excluded. Again in 1862<sup>3</sup> it was placed at four mills, exclusive of levies for school, interest and debt-paying purposes. With a levy to the full legal limit of twelve and five-twentieths mills in 1863 the yield was insufficient to pay the estimated expenses of the city for the year. Economy was the only alternative until the Legislature could be appealed to for an increased levy.<sup>4</sup> From 1862 until the enactment of the Code in 1869 "the

<sup>1</sup> Act of March 20, 1841, 39 O. L. A., 65.

<sup>2</sup> Act of April 11, 1856, 53 O. L., 214.

<sup>3</sup> Act of April 30, 1862, 59 O. L., 71.

<sup>4</sup> *Vide Cleveland Daily Herald*, May 13, 1863.

General Assembly fixed the tax limit almost every year, usually raising the maximum aggregate or adding a special fund."<sup>1</sup> The Code of 1869<sup>2</sup> affords a good illustration of the "tax-levy budget;" besides setting a limit to the levy for general purposes at seven mills, the limit for at least thirty-four special purposes was fixed by the General Assembly, the total being thirty mills, or three per cent. The next year the limit for four additional special levies was also fixed by law,<sup>3</sup> but the maximum of special levies was reduced. The aggregate maximum levy was now very high. From 1868 to 1876 the total of municipal levies was the highest in the history of the city. Yet expenditure exceeded receipts in 1871 and 1872; debt grew rapidly and the cause was ascribed to an insufficient levy for current expenses. These were the years of violent efforts to economize. Levies already apparently too small were reduced still further by the Legislature in 1876.<sup>4</sup> "To live within our means," said Mayor Payne, "will tax our every effort, but it shall be done."<sup>5</sup> The code of 1878 limited the levy in Cleveland to eleven mills, with levies beyond the maximum for interest, the debt, and cemetery purposes.<sup>6</sup> In 1879 this limit was reached, but in the next two years an unusual request came from the Council, namely, that the tax limit for municipal purposes be reduced,—to nine and one-half mills.<sup>7</sup> Accordingly state laws were so amended that municipal levies, exclusive of interest and bonded debt, were reduced to nine and one-half mills and the levy for

<sup>1</sup> Wilcox, *op. cit.*, p. 453.

<sup>2</sup> 66 O. L., 145-286, §§ 640-648.

<sup>3</sup> Act of April 18, 1870, 67 O. L., 68.

<sup>4</sup> Act of April 11, 1876, 73 O. L., 222.

<sup>5</sup> *City Documents*, 1875, p. xxxv.

<sup>6</sup> 75 O. L., 400.

<sup>7</sup> *Council Proceedings*, March 14, 1881.

school purposes raised from four and one-half to six mills.<sup>1</sup> In 1888 we also find the Board of Aldermen requesting the General Assembly to pass no bill authorizing an additional levy of taxes by any authority, county or city.<sup>2</sup> The ground for opposing increase of the levy at this time was that manufacturing and other business interests would be driven from the city, the total rate for Cleveland being at this time \$28.30 per \$1000. In an attempt to allay such fears it was urged that with a proper valuation of property the rate would be lower in Cleveland than in other cities of its size.<sup>3</sup> The same contention was made by Mayor McKisson in 1898 when recommending the issue of \$3,800,000 of bonds. Assuming that property was assessed at but thirty-five per cent of its value, he made an elaborate computation to show that Cleveland's actual tax rate was lower than that of any one of fourteen selected cities, although its nominal rate was higher than existed in any of them.<sup>4</sup>

The Code of 1902 limits the municipal levy to ten mills. This rate, however, is exclusive of levies for schools, libraries, hospitals, sinking fund and interest.<sup>5</sup> A levy greater than ten mills can be made, if submitted to the people and affirmed by two-thirds of all votes cast.<sup>6</sup> For 1907 it was fixed at 9.65 mills. But little increase can be made without popular consent, a method which has not yet been tried. In view of the fact that the city has long been accustomed to levying taxes practically to the limit permitted by law, it is pertinent to ask where the rate would go if the state limit

<sup>1</sup> *Council Proceedings*, February 2, 1885.

<sup>2</sup> *Proceedings of the Board of Aldermen*, January 27, 1888.

<sup>3</sup> *Proceedings of the Board of Councilmen*, March 26, 1888.

<sup>4</sup> Special Address of Mayor McKisson to Citizens Committee, *Annual Reports*, 1897, pp. 1077-78.

<sup>5</sup> § 33.

<sup>6</sup> § 34.

were removed and a full measure of financial "home rule," now so greatly desired, were secured. A great increase would probably result for a time—until business competition and local sentiment became effective as a check.

Appendix A gives the total levies for state, county, city, schools and library. Levies for local purposes are increasing, the county and school levies going up most rapidly. The state levy has been gradually reduced until at present it stands at 1.345. This is due to a deliberate policy of which we shall speak in the next section, under the head of tax reforms. Instead of taking advantage of the reductions in the state levy to relieve the local rates, local authorities have made additions which have more than counterbalanced its effect. The following table shows the total rate in Cleveland as compared with other Ohio cities:

	1902.	1903.	1904.	1905.
Cleveland.....	30.5	30.1	29.8	31.7
Cincinnati <sup>1</sup> .....	23.18	22.7	22.54	22.38
Columbus.....	27.5	30.	30.	29.
Toledo.....	29.6	29.8	29.8	29.
Dayton.....	25.4	28.6	28.2	28.2

§ 33. *Tax Reform.* Of the reforms needed in local taxation none is so urgent as a separation of state and local levies. The evils attending an undervaluation of property will continue until this change is made. A plan for its accomplishment was introduced in 1902 by the enactment of the "Willis" law, imposing an annual fee of one-

<sup>1</sup> It should be noted that the rate in Cincinnati has been brought down by a powerful political machine to further its own ends and that bonds have been issued to provide funds which ought to have been raised by taxation. The school levy in Cincinnati was 1.88 mills below the minimum permitted for any school district in the state by the law of 1906. (*Vide Annals of the American Academy*, vol. xxviii, p. 158.)

tenth of one per cent on the capital stock of all corporations engaged in private business and the "Cole" law which levies a tax of one per cent on the gross receipts of public service corporations. The revenue from these corporation or excise taxes made it possible to reduce the state levy on property from 2.89 mills to 1.35. Complete abandonment of the state levy is delayed only by a difference of opinion as to the best method of raising the revenue needed by the state.

A commission recently appointed by the Governor is quite certain to recommend, in addition to the separation of state and local taxes and the abolition of the state levy, a permanent tax commission and an amendment to the Constitution which will limit the rule of uniformity imposed by that instrument. The Chairman of the Commission, Attorney General Wade H. Ellis, has expressed<sup>1</sup> his alarm at the "extravagance" of expenditures for local government. It is probable that the degree of "home rule" desired by a certain party will not be furthered by the work of the Commission.

The present platform of the Democratic party demands separation of state and local revenues, the taxation of franchises, and more adequate laws for the assessment of railroad property.<sup>2</sup> It also demands "unqualified home rule." With the present city administration this means complete freedom in levying taxes and incurring debt, and direct control of all boards for equalizing local valuations. "Just taxation" and municipal ownership of public utilities are the keynotes of Mayor Johnson's policy as interpreted by its

<sup>1</sup> Address at the annual meeting of the Ohio Bar Association, July 12, 1906.

<sup>2</sup> Mayor Johnson maintains that the county auditors' assessment of steam railroad property annually deprives Cleveland of \$500,000 in taxes. (*Annual Reports*, 1901, p. ix.)

friends. Mr. Johnson himself is an ardent single taxer. The plank in the Democratic platform calling for home rule in taxation is, therefore, enthusiastically supported by him, and by every other believer in a single tax on land values. Of course members of all parties and believers in every tax philosophy unite in desiring the separation of state and local revenues. The Howe bill, introduced into the Legislature of 1906 for raising all state revenues from a tax on the franchises of public service corporations, was unanimously endorsed by the City Council of Cleveland.

In 1901 Mr. Johnson instituted his so-called "tax bureau" or "tax school" in Cleveland. Its purpose was to demonstrate the gross inequalities produced by the present plan of assessment. The method was a reassessment which would indicate clearly to what extent property was overvalued or undervalued for taxation. It was found, it is claimed,<sup>1</sup> that from ten to fifteen millions should be taken from small properties and seventy to eighty millions added to undervalued real estate to bring both up to a sixty per cent basis which is supposed to exist in the state. The "tax school" cost the city in two years a little less than \$40,000. On the other hand, it increased the taxes paid by public service corporations \$50,000 a year and brought into the treasury back taxes amounting to \$110,000.<sup>2</sup> The Board of Review, it is said, was created solely to check these inroads of reform. At all events the reformers' hands are tied for the present. To its promoters the "tax school" justified itself as an "educational" propaganda for revealing the dense ignorance with which assessments are made.

With an "Ohio Tax League" organized for creating a sentiment against the present system of taxation and the

<sup>1</sup> *Annual Reports*, 1901, p. ix.

<sup>2</sup> *Council Proceedings*, February 9, 1903.



State Chamber of Commerce preparing to fight for remedial legislation, changes for the better,—or for the worse,—are almost certain to be made by the next Legislature or the one following.

§ 34. *Bridge Tax.* Prior to the Municipal Code of 1869 a large share of the burden of bridge construction was borne by the county. After that date the city was deprived of its just share of the county levy for this purpose. The difficulty became so acute that in 1873<sup>1</sup> a law was passed requiring the county to pay to the city one-half of the county bridge levy each year, if formally demanded by the City Council. Still the city was dissatisfied because the county did not pay as large a proportion of the cost of bridges within its limits as it did in the townships of the county. It was urged that the city should receive the entire proceeds of the county tax collected from city property.<sup>2</sup> The necessity of each year making formal demand for its share of the bridge tax was looked upon as a grievance. Nevertheless, the law of 1873 is still in force, and the city assists in building and repairing bridges for the entire county.<sup>3</sup>

§ 35. *The School Levy.* The first school levy under the city charter was one-half mill, the highest levy authorized being one mill.<sup>4</sup> Prior to 1860 the average did not much exceed one mill, although in 1854 it reached two mills, the largest permitted under the Code of 1852.<sup>5</sup> An extra levy

<sup>1</sup> Act of April 28, 1873, 70 O. L., 179.

<sup>2</sup> *Council Proceedings*, February 25, 1881. The Auditor reported that in the years 1873-1880 the county levies on city property for bridge purposes amounted to \$244,548; the county had paid back to the city \$96,909. In this period the city had spent for bridges \$2,372,779.

<sup>3</sup> R. S., § 2824.

<sup>4</sup> *Report of the Board of School Managers, 1837-38. Vide Thirty-fourth Annual Report, 1869-70, p. 134.*

<sup>5</sup> *Report of the Board of Education to the Council, 1854-55, p. 17.*

in that year was required to remove a large deficit remaining from former years, and to meet the cost of constructing and furnishing new buildings. In 1855 the levy was three-fourths of a mill and in 1856 three-eighths. In the years preceding the independence of the Board of Education the statutory limitation on school levies was sometimes specific and at other times included in the general limit for municipal levies. When the five-mill limit of 1856<sup>1</sup> was imposed on the Council, the Board of Education attempted to have the school levy exempted from its effect, just as the sinking fund and interest levies were. The failure of the Legislature to respond was due to the "remonstrance of many of our most influential citizens, and indicates," in the words of the Mayor, "their determination that the school department shall not be exempt from the general pressure."<sup>2</sup> A limit of three mills was reached in 1864.<sup>3</sup> The general act of 1873, completely depriving the city Council of a voice in school finances, fixed the maximum levy for all school purposes at seven mills. Until recent years seven mills remained the highest levy authorized. Desiring to control all tax levies, but legally without authority as to the school rate, the Council in 1879 made a special appeal to the Board of Education to keep its rate as low as possible, in view of the "impoverished and embarrassing condition of our citizens and taxpayers."<sup>4</sup> The answer of the Board implies that the interference of the Council was uncalled for; the highest levy it had ever made was five mills, while other cities in the state had reached the limit of seven mills.<sup>5</sup> Through an act applying to Cleveland

<sup>1</sup> *Supra*, p. 77.

<sup>2</sup> *City Documents*, 1857, p. 7.

<sup>3</sup> Act passed March 25, 1864, 61 O. L., 63.

<sup>4</sup> Council Resolution, *Proceedings*, May 28, 1877.

<sup>5</sup> *Council Proceedings*, June 4, 1877.

alone, the next Legislature reduced the maximum levy to four and one-fourth mills,—a rate lower than that for any other school district in the state. Since this date the maximum legal levy has been gradually raised, the rate actually levied keeping close to the limit. In certain years the Board of Equalization also exercised its power to reduce the levy as made by the Board of Education.<sup>1</sup>

Eleven mills being desired for 1906, a special effort was made to secure the assent of the Board of Review. In order to convince that body of the absolute necessity of such an unprecedented rate the Board of Education first sought and secured the approval of the Cleveland Chamber of Commerce.<sup>2</sup> Since the rate for 1906 was approved the school levy has been completely withdrawn from the jurisdiction of the Board of Review.<sup>3</sup>

Fifty years, therefore, have witnessed an increase in the rate of taxation for the public schools from an average of less than one mill to eleven mills. One great cause of the increase not to be overlooked is the growing undervaluation of property. Another is the relative increase in expenditures for education, which will be discussed in the next chapter. In comparing the tax rates for school and municipal purposes it should be noted that the valuation which serves as a basis for school and library levies is about a million dollars greater than the city duplicate. For the former a portion of East Cleveland, Newburg and Brooklyn townships are annexed to the city.

§ 36. *The Library Levy.* The library levy was reported separately from the school levy for the first time in 1880. The earliest special levy for library purposes dates, however,

<sup>1</sup> Annual Message of the School Director, 1894-95, p. 15.

<sup>2</sup> *Annual Report of the Board of Education*, 1905, p. 20.

<sup>3</sup> Act of February 13, 1906, 98 O. L., 9.

from 1853. A law of that year <sup>1</sup> set apart one-tenth of a mill from the state levy for furnishing school libraries and apparatus to all common schools of the state, to be expended under the direction of the state school commissioner. Apportionment was made by the same method for both schools and libraries. Cleveland thus paid more taxes for library purposes than she received and therefore objected to the system. The library levy was soon omitted. In 1867 <sup>2</sup> one-tenth of a mill was again authorized, and levied by the Cleveland Board of Education. By reason of a decision that it was illegal to apply the levy to any purpose except the purchase of books, the library was closed for a part of 1877. The Legislature of 1878 <sup>3</sup> sanctioned a doubtful right, which the Board of Education had exercised hitherto, of making an appropriation from the school fund for library purposes, but set a limit of \$7,000 to the amount which could be so used. The Library Board now became independent, and in the next year one-fourth of a mill was authorized. <sup>4</sup> This maximum stood until 1893. An attempt was made in 1888 to have it raised to one-half a mill, but vigorous opposition on the part of the City Council seems to have killed the bill. The ground taken was that the municipal levy was "already so high as to become a drag upon the city's prosperity and growth." <sup>5</sup> In 1894 the half mill was secured; <sup>6</sup> the levy made by the Library Board was, however, cut down by the Tax Commissioners. In 1898 and again in 1900 a levy of six-tenths of a mill having been

<sup>1</sup> Act of March 14, 1853, 54 O. L., 448.

<sup>2</sup> Act of March 18, 1867, 64 O. L., 62.

<sup>3</sup> Act of April 8, 1878, 75 O. L., 101.

<sup>4</sup> Act of April 1, 1879, 76 O. L., 50.

<sup>5</sup> *Proceedings of the Board of Councilmen*, January 30, 1888.

<sup>6</sup> Act of May 16, 1894, 91 O. L., 126, 266.

made on authority secured from the Legislature,<sup>1</sup> the Tax Commission exercised its power of revision. In 1902<sup>2</sup> eight-tenths were allowed. The present law gives nine-tenths for general purposes and one-tenth for sinking fund. Approval of the levy must be secured from the Board of Education.

The Library Board, as an independent taxing body, has, therefore, been obliged to follow the same line of action as the Board of Education and, indeed, the City Council itself, to secure adequate revenue. Repeated appeals to the state Legislature for higher maximum levies have been a marked feature in the history of every taxing body in the city.

§ 37. *Special Assessments.* Next in importance to the general property tax as a source of revenue is the special assessment. The nature of assessments and their relation to taxes have often been discussed by Ohio courts. In *Raymond v. Cleveland*<sup>3</sup> assessments for street purposes are defined as "those special and local impositions upon property in the immediate vicinity of an improved street, which are necessary for the improvement and levied with reference to the special benefit<sup>4</sup> which such property derives from the expenditure of the money." In an early case the constitutionality of special assessments was sustained. It was held that "assessments in proportion to benefit are not a taking of private property for public use, but rather a species of taxation and a legitimate exercise of the taxing power

<sup>1</sup> Act of February 27, 1900.

<sup>2</sup> Act of May 7, 1902, 95 O. L., 439.

<sup>3</sup> 42 O. S., 522.

<sup>4</sup> It is a well-defined principle that assessments cannot exceed benefits. Otherwise they would amount to taking private property for public use without compensation, violating § 10 of art. i of the Constitution of Ohio. (*Chamberlain v. Cleveland*, 34 O. S., 551.) Even without specific statute assessments must be limited to special benefits. (*Walsh v. Barron*, 61 O. S., 15.)

under the Constitution of 1802.”<sup>1</sup> Other Ohio decisions hold that though “in a general sense, a tax is an assessment, and an assessment is a tax, there is a well-recognized distinction between them.”<sup>2</sup> For example, exemption from taxation for revenue purposes does not extend to assessments for local improvement.<sup>3</sup> The power of assessment also differs from the power of taxation, for the former is not limited by the constitutional provision requiring taxation to be by uniform rule, while the latter is so restricted.<sup>4</sup>

The charter of 1836 gave the city power to levy “discriminating assessments” for local improvements in proportion to benefit accruing. Tested in the courts its constitutionality was upheld as noted above. Heavy assessments for grading purposes were made for a year or two and these brought the method into disfavor. It is impossible to determine from the City Clerk’s reports how much money was raised by special assessment from 1836 to 1850;<sup>5</sup> but the amount was probably very small, for few street improvements were made until about the time the construction of railways began to cause something like a boom to the city. Evidence confirming this conclusion may be found in state legislation. In 1849 an act of the General Assembly<sup>6</sup> required that a part of the expenses of local improvement be paid out of the city treasury, but this proved unacceptable. The road fund was seriously depleted by paying from it fifteen or twenty per cent of the cost of special

<sup>1</sup> *Scoville v. Cleveland*, 1 O. S., 126.

<sup>2</sup> *Lima v. Cemetery Association*, 42 O. S., 128.

<sup>3</sup> *Ibid.*, p. 130.

<sup>4</sup> *Hill v. Higdon*, 5 O. S., 243; *Reeves v. Treasurer, Wood Co.*, 8 O. S., 333; *Sessions v. Crunkilton*, 20 O. S., 349, and other cases.

<sup>5</sup> In the latter part of this period the general fund contains certain items of expenditure on behalf of a Committee for Equalizing “discriminating” tax assessments.

<sup>6</sup> 47 O. L., 204.

improvements. It was urged that the whole of the road fund should be used for cleaning and caring for streets.<sup>1</sup> Two years later the mode of levying assessments was changed.<sup>2</sup> The cost of improvements could be met in any one of three ways: (1) the whole expense could be put upon at least twelve petitioning freeholders; (2) made a charge on the city treasury; or (3) met by a discriminating tax, if petitioners represented one-third of the value of the property that would be assessed.

The act of 1852 gave municipal corporations the right of making special assessments; it was left to the Council to prescribe by general or special ordinance the mode of assessment.<sup>3</sup> As a check against arbitrary use of the power by the Council, improvements to be undertaken had to be recommended by the Board of Improvements. In addition to this a recommendation of the Board had to receive a two-thirds majority in the Council, or be petitioned for by two-thirds of the resident owners to be taxed.<sup>4</sup>

In Ohio and the Western states generally a much larger proportion of the cost of improvements is raised by special assessments than in the Atlantic states. One of the causes for this, and probably the principal cause in Ohio, begins to be shown clearly in 1856. In that year a limit of five mills was imposed upon the tax levy for all municipal purposes, exclusive of sinking fund and interest requirements.<sup>5</sup>

If it is found [said the Mayor] that this limit will cramp the energies of our city to that extent as to produce stagnation in matters of public improvement, the only remedy will be for the Council to exercise, to such extent as may be prudent, the power to levy special taxes for the purpose of local improvements.

<sup>1</sup> Mayor's Annual Message, *Daily Herald*, March 18, 1850.

<sup>2</sup> 49 O. L., 114.

<sup>3</sup> § xxx.

<sup>4</sup> *City Documents*, 1856, pp. 14-15.

<sup>5</sup> *Supra*, p. 77.

Relief for the general fund was also anticipated in the authority to include claims for damages in the cost of an improvement. The Mayor went still further and recommended that the Council use its power<sup>1</sup> to defray expenses of street lighting by a special tax levied on property lighted.<sup>2</sup> A disposition to act on a portion of the Mayor's advice is fairly inferable from the provisions of an act authorizing the construction of sewers. Special assessments were permitted to reach fifty per cent of the value of real estate after the improvement was completed. Costs in excess of such a percentage were to be borne by the general treasury.<sup>3</sup> By means of economy and special assessments real needs were provided for between 1856 and 1862. About the latter date limits on the general levy were raised to some extent.

The decade from 1870 to 1880 is most important in the history of special assessments in Cleveland. A "mania for improvements" culminated in 1873 and 1874.<sup>4</sup> Litigation grew tremendously. Methods still employed were then worked out under the stress of severest necessities. Pressure of state limits on local levies had caused assessments to increase enormously, and by 1870 they were looked upon as a great evil.<sup>5</sup> The matter was presented

<sup>1</sup> Granted by act of March 11, 1853, 51 O. L., 367.

<sup>2</sup> Annual Message of the Mayor, *City Documents*, 1856, p. 15.

<sup>3</sup> Act of April 8, 1856, 53 O. L., 185.

<sup>4</sup> *City Documents*, 1875, p. xxi.

<sup>5</sup> "Great as the evil of local taxation has been, . . . these figures are far from expressing the magnitude of the evil, as what are termed *assessments*, for local improvements, are not included. . . . I cannot state their amount, but I think their aggregate in the state for the last four years cannot have been less than \$10,000,000. In many instances they have amounted to fifty per cent of the value of some of the property upon which they were levied." (*Annual Report of the Auditor of State*, 1870, pp. 13-14.)



to the General Assembly and a law passed limiting special assessments to twenty-five per cent of the taxable value of the property. Moreover, no one could be compelled to pay in any one year more than one-tenth of the assessed value of his property.<sup>1</sup>

"The subject of distributing special assessments," declared the Mayor in 1876, "has raised the most difficult questions to solve met with in municipal management."<sup>2</sup> What were the sources of the difficulty? In the first place the work of making assessments and tax lists was kept too long in the Civil Engineer's department. In other cities of the state this had been made one of the duties of the city auditor.<sup>3</sup> The Engineer already had as many duties as he could perform; assessment lists were left to subordinates with no responsible head in control. Delays of two or three years occurred between the completion of costly improvements and the making of assessments.<sup>4</sup> After many appeals for relief the Council created in 1874 a separate department for assessments, which was made a part of the Auditor's department.<sup>5</sup> But there were still other causes of expensive and vexatious delays. One was the difficulty of making assessments final. After improvements had been made, with the provision that costs were to be assessed upon specially benefited property, it was extremely difficult to get an assessment that would stand. If a single property-holder, however insignificant his holding, made objection in writing within a prescribed time, an equalizing board had to be appointed and the whole assessment overhauled. Frequently as many as four separate assessments were worked

<sup>1</sup> Act of March 30, 1874, 71 O. L., 45.

<sup>2</sup> Annual Message of Mayor Payne, *City Documents*, 1876, p. 23.

<sup>3</sup> *City Documents*, 1870, p. 65.

<sup>4</sup> *Ibid.*, 1873, p. 17.

<sup>5</sup> *Ibid.*, 1874, p. xvii.

out by as many different boards. Delays caused in this way made it necessary to redeem bonds already issued out of other funds of the city,<sup>1</sup> or to reissue the bonds. When assessments were finally made, the feeling of benefit had gone and payment was resisted in every possible way.<sup>2</sup> Doubtless in many cases the improvement was made when property had a purely speculative value which had disappeared when the tax came to be collected. Legal technicalities were often used to throw the burden on the city. At the beginning of 1877 assessments for various improvements, amounting to \$888,908, were stayed by court proceedings. Funds were diverted from proper uses, while the accumulated interest and cost of litigation made taxpayers' burdens all the greater.

Street openings fall into a separate category from street improvements. The Legislature in 1872 granted municipal corporations power to open, widen and extend streets at the expense of property benefited. The result was a large amount of such work.<sup>3</sup> Several long-contested cases over the distribution of the cost of street openings occurred, especially after 1876, and a large part of the costs was thrown on the city because rules of procedure applying to assessments to pay for lands condemned for street pur-

<sup>1</sup> On January 1, 1875, most of the expensive improvements made in the six years preceding had not been provided for. In connection with nineteen improvements originally costing \$818,918, additional costs due to the delay were \$235,779. Sinking fund surplus and all other funds were used, the special street improvement accounts being overdrawn \$419,000. (*City Documents*, 1875, pp. xix-xx.)

<sup>2</sup> The Board of Improvements and the City Solicitor both recommended: (1) exacting from petitioners promises absolutely to pay the tax assessed for improvements requested and to waive all rights under technical irregularities; (2) to refuse to issue bonds until at least one-third of the taxes was paid in. (*City Documents*, 1875, pp. 237, 447.)

<sup>3</sup> *City Documents*, 1872, p. 99.

poses were confused with the procedure for levying assessments to improve streets already in existence.<sup>1</sup>

Out of the experience of these troubled years two principles emerged. It was recognized that when assessment was made by front foot practically no contest arose over payment, but when the method of estimated benefits was made the basis of assessment in a majority of cases bitter controversy resulted.<sup>2</sup> Whatever the principle of distributing the costs, by the close of the decade the conviction became general that the only safe course to pursue was not to make improvements until the assessment had been made and the money was in the treasury to pay for them.<sup>3</sup>

The new Municipal Code permits the Council to assess upon "abutting, adjacent and contiguous or other specially benefited lots" "any part of the entire" outlay connected with all kinds of street improvements, docks and wharves, lighting, sprinkling, sweeping, *etc.* Three methods for making the assessments are authorized: (1) by a percentage of the taxable value of the property; (2) in proportion to the benefit which may accrue from the improvement; (3) by the foot frontage of the property abutting on the improvement.<sup>4</sup> The first method is not used in Cleveland at all; the second is used exclusively for paving; and the third is always used for the construction of sewers.<sup>5</sup> Formerly by law, now by custom, frontage taxes for sewers are limited to \$2 per foot. In practice they never exceed thirty-three and one-third per cent of the value of the property. As-

<sup>1</sup> *Kelley v. Cleveland*, 34 O. S., 468.

<sup>2</sup> *City Documents*, 1876, pp. 23, 94.

<sup>3</sup> *Ibid.*, 1880, Report of City Solicitor, p. 173.

<sup>4</sup> § 50.

<sup>5</sup> The constitutionality of assessment by foot frontage was decided in *Chamberlain v. Cleveland* (34 O. S., 551), but assessment is valid only when it does not exceed benefits. (*Shoemaker v. Cincinnati*, 68 O. S., 603.)

assessments for all purposes, within a period of five years, are limited to thirty-three and one-third per cent of the actual value of the property after the improvement is made. For many years prior to the enactment of the new Code the limit was placed at twenty-five per cent of the value of the property. In 1874 a limit of twenty-five per cent *after* the improvement was made prevented the carrying out of many improvements.<sup>1</sup> Even this limit, however, was reduced, so that in 1883 the twenty-five per cent was based on duplicate value. Property being greatly underassessed, the most necessary improvements caused a heavy burden to the general fund.<sup>2</sup>

The law requires the city to bear a minimum of one-fiftieth part of the cost of every improvement. Cost of street intersections is borne entirely by the city.<sup>3</sup> In 1882 it was provided that not more than one-half of the cost of repaving should be raised by special assessments.<sup>4</sup> This rule still obtains, except in cases where the grade is changed; and repaving caused by change of grade cannot be assessed on property owners unless the change has been petitioned for by a majority of the landowners on the street.<sup>5</sup> For meeting its share of the cost the city may sell bonds and levy taxes, in addition to all other taxes authorized, to pay the principal of such bonds and the interest on them.<sup>6</sup>

Few exemptions are permitted. Private institutions of public charity must pay special assessments; public school property has at times been required to bear them, but is now relieved by court interpretation.<sup>7</sup>

<sup>1</sup> City Civil Engineer's Report, *City Documents*, 1874, p. 150.

<sup>2</sup> Annual Message of Mayor Farley, *City Documents*, 1883, p. xiv.

<sup>3</sup> § 53.

<sup>4</sup> *Infra*, § 61.

<sup>5</sup> § 64

<sup>6</sup> § 53.

<sup>7</sup> *Toledo v. Board of Education*, 48 O. S., 83. *Board of Education v. Toledo*, 48 O. S., 87.

Legislative procedure in making assessments takes the following course: By a three-fourths vote the Council must pass a resolution of necessity, determining the nature of the improvement,<sup>1</sup> approving plans, specifications and estimates, fixing the method of assessment and the mode of payment, and deciding whether or not bonds are to be issued in anticipation of collecting the assessment. Plans, specifications and estimates are made by the Engineer. The mode of payment regularly prescribed in Cleveland is in five annual instalments. Persons assessed have the option of paying cash within thirty days<sup>2</sup> and in this case payment is made to the city Treasurer; in practice almost no payments are made in this way. Payment by instalment means that bonds shall be issued or notes sold in anticipation of collection. All assessments are therefore certified to the county auditor, placed by him on the tax duplicate and collected as other taxes, one-half of each instalment, or one-tenth of the whole assessment, being added to the June and December quota of taxes.

The adoption and publication of a preliminary resolution is designed to prevent ill-considered action on the part of the Council.<sup>3</sup> Notice is served on owners of property to be assessed and within two weeks thereafter they are required to file any claims for damages to be sustained by the proposed improvement. At the expiration of the time for filing claims for damages the Council by a three-fourths vote passes an ordinance determining to proceed with the improvements. Claims are inquired into by a jury in the

<sup>1</sup> Assessments are not often made in Cleveland for grading and curbing alone. A street is not graded and curbed unless it is also paved. The whole cost is included in an assessment for paving.

<sup>2</sup> § 87.

<sup>3</sup> *Smith v. Toledo*, 24 O. S., 126, 132.

manner provided for expropriation. When the assessment is according to benefits the Council by resolution appoints an estimating and equalizing board and confirms its assessment. Notice of assessments is published and opportunity given for the filing and hearing of objections. Few objections to a proposed improvement are filed at this time. More frequently no protest is made until the first instalment is due, when application is made to the court for injunction. The city protects itself, however, by not letting contracts until after the first instalment is paid. If the assessment is then enjoined, the whole improvement can be dropped. Lastly, the assessing ordinance adopts the report of the board, making the assessment a final charge against the property benefited. Not until after the assessment is made and the first instalment paid are bids advertised and the contracts let.

Objection is made to the method followed in Cleveland, that assessments based upon engineer's estimates are not as satisfactory as where made after contracts are let, work completed and exact cost of the improvement known. The evil of having to make reassessment, on the one hand, and on the other the "rebate nuisance," are said to characterize the workings of a system that bases assessments on engineer's estimates.<sup>1</sup> Neither of these disadvantages are found in the present use of this system in Cleveland. A long and rather sad experience has proved the wisdom of making the assessment and collecting at least a part of it before the work is done. The engineer's estimates are always made high enough to cover the cost, but no troublesome refunds are necessary. When the work is completed and exact costs are known, the surplus of the engineer's estimates is pro-

<sup>1</sup> Victor Rosewater, *Special Assessments*, in *Columbia University Studies in History, Economics and Public Law*, vol. ii, pp. 418, 492-493.

rated in abating the fifth instalment. If necessary, the last two instalments are abated. Taxpayers are gratified to find that final payments are reduced or unnecessary. On the whole the special assessment system followed in Cleveland works well, and litigation is now kept at a minimum.

The revenue derived from special assessments has increased at practically the same rate as the general property tax. Since 1890 it has grown from an average of about \$500,000 to about \$950,000. As the table in the Appendix shows, in the years 1883-1889, inclusive, and 1876-1877, the Auditor's reports do not permit a separation of special assessments from general taxes. Prior to 1883 it should also be noted that the figures given, while the best to be obtained, may frequently fall short of the actual amount collected; <sup>1</sup> but since 1890 the statistics are sufficiently reliable. Two reasons may be assigned for this discrepancy. Special assessments did not go on the regular tax duplicate unless payment was not made within a specified time.<sup>2</sup> It is possible that only amounts collected in this way are reported by the Auditor. A more probable cause is that contractors were often allowed to collect the assessment themselves.<sup>3</sup> In such cases it is obvious that no record would be made in the city's accounts.

The income from special assessments in Cleveland is larger, relatively, than that found in most cities of a popu-

<sup>1</sup> For example, statistics based on the Auditor's report show an income of \$462,810 in 1873 and \$592,126 in 1874 from special assessments. Yet the Mayor, in his annual message at the beginning of 1874, said that special taxes amounted in 1873 to nearly \$800,000, and would probably reach \$1,000,000 in 1874. (*City Documents*, 1873, p. 15.) From the same source it appears that special assessments amounted in 1861 to \$50,000 (*City Documents*, 1861, p. 8); only \$14,472, however, are included in the Auditor's report.

<sup>2</sup> *Annual Report of the Auditor of State*, 1870, p. 13.

<sup>3</sup> *City Documents*, 1864-65, p. 61.

lation above 300,000. Per capita income from this source in various cities is shown in the following table. It will be observed that the Western cities, as a rule, raise larger sums in this way than do Eastern cities.

*Per Capita Revenue from Special Assessments.*

	1903.	1904.		1903.	1904.
St. Louis.....	\$5.33	\$5.13	Detroit.....	\$1.25	\$1.21
Chicago.....	1.88	2.20	Buffalo.....	.74	1.18
Cleveland.....	2.34	2.17	Milwaukee.....	1.15	1.14
New York.....	1.87	1.67	Boston.....	.70	.70
Pittsburg.....	6.10	1.65	Philadelphia.....	.52	.19
Cincinnati.....	.75	1.25	Baltimore.....	.06	.03

§ 38. *Public Service Privileges.* Income from public service privileges is derived from street car and gas companies. A license fee for each car in daily operation is charged, the amount varying from \$5 to \$10. At the time of the renewal of certain franchises in 1879, a license charge of \$10 was imposed on each car<sup>1</sup> and the companies required to pave the space between the tracks. A few months later the license was reduced to \$5.<sup>2</sup> There were at this time nine companies operating one hundred and sixty-three cars. A feeling existed that the street car companies should contribute more largely to the city's revenues. The Mayor in 1881 recommended legislation that would remedy the defect, pointing out that Cleveland compared most unfavorably with other large cities of the country.<sup>3</sup> The license was raised to \$10, but no disposition has ever been manifested to make these companies a real source of revenue, as they are in most of the larger American cities. It may be granted that some good reasons can be adduced against us-

<sup>1</sup> *Council Proceedings*, September 15, 1879.

<sup>2</sup> *Ibid.*, January 19, 1880.

<sup>3</sup> Annual Message of Mayor Herrick, *Annual Reports*, 1881, p. 50.



ing the street car companies to afford relief to taxation and other sources of revenue. The method of imposing an annual license on the cars operated is open to serious criticism; it tends to keep the facilities offered to the public at a minimum. The best method is undoubtedly that of a gross receipts tax combined, perhaps, with paving charges. In this way it is possible, as has been observed, to bind "the selfish aims of the companies to the general interests of the public."<sup>1</sup>

The income from gas companies is derived from a payment of six and one-half per cent of the gross receipts of the two artificial gas companies operating in the city. Franchises with this provision were granted in 1892.<sup>2</sup> The income has until recently been turned over to the trustees of the City Hall Sinking Fund.

§ 39. *Licenses, Permits and Fines. The Liquor Tax.* By far the most important source of revenue under this general heading is the saloon license, or "Liquor Tax," as it is commonly called. It is collected under state laws and the proceeds divided between the state and the municipality. From the beginning of the city government the sale of intoxicating liquors has been regulated by law so as to produce a revenue. In 1837<sup>3</sup> a "license fee" for keeping a tavern and selling "ardent spirits" in quantities less than one quart was fixed at not less than \$20 nor more than \$100, a fine of \$20 being imposed for every day the ordinance was violated. A license fee of \$15 to \$50 was also imposed for keeping a grocery. The Legislature in 1839 took away the power to license taverns and

<sup>1</sup> Dr. Max West, "Taxation of Street Railways," in *Economic Studies of the American Economic Association*, vol. iv, p. 121.

<sup>2</sup> Ordinance, no. 2376, January 13, 1892.

<sup>3</sup> Ordinance of February 25, 1837.

groceries granted to Cleveland by its charter, and vested it in the Court of Common Pleas. Rules laid down to direct the court in the exercise of this power indicate that it was intended to be a temperance measure.<sup>1</sup> The Council at once prayed for a return of the privilege, claiming that under the new system the amount received from licenses was so reduced, (1) that the city's revenues were materially diminished, and (2) that there was no longer any pecuniary motive for either authorities or private individuals to suppress unlicensed taverns and groceries.<sup>2</sup> In 1850 a board of three excise commissioners was appointed by the Legislature for a term of three years, the Council having power to make future appointments. The board was required to meet four times a year, and in the granting of licenses to keep "tavern, porter-house, or house of entertainment" its duty was to eliminate "drunkenness, riotous, disorderly or licentious conduct." All money derived from the licenses was to be paid into the city treasury.<sup>3</sup> One hundred and seventy-five taverns and porter-houses were licensed within the year, yielding a revenue of \$4,000 to \$5,000.<sup>4</sup>

The Constitution of 1851 contained a "no license" clause.<sup>5</sup> An act of 1854 made it an offense to sell liquors to be drunk where sold, to minors, to intoxicated persons or to habitual drunkards. Under this law the only revenue from the business was that derived from fines for its violation. A demand that the liquor traffic should yield some regular revenue led to the enactment of the "Pond Law"

<sup>1</sup> Act of March 18, 1839, 37 O. L., 383.

<sup>2</sup> *Vide Cleveland Daily Herald*, December 19, 1839.

<sup>3</sup> Act of February 25, 1850, 48 O. L. A., 356. *Daily Herald*, March 18, 1850.

<sup>4</sup> *Daily Herald*, April 25, 1850.

<sup>5</sup> Art. xvi, § 18.

in 1882,<sup>1</sup> imposing a graduated tax of \$100 to \$300, which was promptly declared unconstitutional.<sup>2</sup> Another attempt was made the next year in the "Scott Law,"<sup>3</sup> which repealed existing statutes and assessed a tax of \$100 to \$200. It was at once attacked, but the court sustained it for a time.<sup>4</sup> Nevertheless, in October, 1884, the Supreme Court decided that the Scott law was a license law and therefore unconstitutional.<sup>5</sup> Again the effort was renewed and in 1886 the passage of "an act providing against the evils resulting from the traffic in intoxicating liquors," known as the "Dow Law," was secured.<sup>6</sup> Its constitutionality was passed upon and assured.<sup>7</sup> A tax of \$100 to \$200 per annum was assessed upon each place where intoxicating liquors were sold, three-fourths of the receipts for the use of the city and one-fourth for the state. The income to Cleveland for the first year, 1887, was \$348,000. The next year only \$229,779 was realized, but the amount rose in two years to \$400,000 and in 1905 had increased to \$568,242.<sup>8</sup> By an amendment in 1896<sup>9</sup> the tax was raised to \$350. In 1906 the Legislature increased the Dow tax to \$1000,<sup>10</sup> apparently more than doubling the income from this source.

<sup>1</sup> Act of April 5, 1882, 79 O. L., 66.

<sup>2</sup> *State v. Hipp*, 38 O. S., 199.

<sup>3</sup> Act of April 17, 1883, 80 O. L., 164.

<sup>4</sup> *State v. Frame*, 39 O. S., 399.

<sup>5</sup> *State v. Sinks*, 42 O. S., 345.

<sup>6</sup> Act of May 14, 1886, 83 O. L., 157.

<sup>7</sup> *Adler v. Whitbeck*, 44 O. S., 539.

<sup>8</sup> The amount given in the Auditor's report is the net income after deducting the fees for collection. In this study the gross revenue is given, the costs of collection being also included in the disbursements of finance offices.

<sup>9</sup> Act of February 20, 1896, 92 O. L., 34.

<sup>10</sup> Act of March 28, 1906, 98 O. L., 99.

§ 40. *The Cigarette License.* The second kind of revenue in the group, "Licenses, Permits and Fines," is also derived from a state-imposed license, the city and the state dividing the proceeds. In 1893<sup>1</sup> an act modelled on the Dow liquor law laid a tax of \$300 on the wholesale and \$100 on the retail trade in cigarettes. The following year, by a law<sup>2</sup> "to provide against the evils resulting from the traffic in cigarettes and cigarette wrappers," the amount of the tax was reduced to \$30 on wholesale business, and \$15 on retail. Half of the revenue goes to the state and half belongs to the city, the latter being divided equally between the police fund and infirmary fund. Cleveland's share of the income has averaged between \$2500 and \$3000, the exceptionally large amount for the first year being due to the very high license.

§ 41. *The Municipal License System.* A certain irregular income has always been realized from miscellaneous licenses. Prior to 1879 the amounts collected were usually reported in such a way that accurate classification is very difficult. A general licensing of trades and occupations has never been popular in the city. In spite of repeated attempts to introduce it, nothing that can be called a "system" of licenses has ever existed. The subject began to be agitated about 1880. Mayor Herrick repeatedly urged the introduction of a system that would bring in a larger revenue.<sup>3</sup> A special committee of the Council reported a system with rates varying from \$250 a year for exhibitions, theaters and opera houses of a given seating capacity, to twenty-five cents for newsboys and bootblacks. No results of financial importance followed. In 1887 the Mayor

<sup>1</sup> Act of April 24, 1893, 90 O. L., 235.

<sup>2</sup> Act of May 18, 1894, 91 O. L., 311.

<sup>3</sup> *City Documents*, 1881, p. 49.

again declared that "scarcely another city in the country receives such a small revenue from this source." Agitation carried on during the administration of Mayor McKisson resulted in an act of the Legislature in 1896<sup>1</sup> which gave the city authority to license practically every occupation and business, carrying with it the repeal of existing ordinances. Having gone this far, for some reason the city made no use of the comprehensive powers secured. At the request of the Council the law was repealed in 1900.<sup>2</sup> Since that date Cleveland has been practically without a license system. In 1901 the City Clerk in his annual report<sup>3</sup> called attention to the matter, expressing a belief that licenses could be made to yield \$100,000 a year. When Mayor Johnson came into office the Council proceeded to remedy the defect; but every ordinance was met by the Mayor's veto on the ground that a license is not a legitimate source of revenue. This position is, of course, consistent with Mr. Johnson's single tax philosophy. A license does not reach the "unearned increment" in land values and therefore cannot be tolerated.

It is unnecessary to attempt more than a brief characterization of each class of licenses. Vehicles of various kinds have been licensed at times. Express wagons, moving vans and cabs, paying from \$3 to \$5 each, make up the greater part of the income from this source. Since the lapse of the license system nothing has been received under this head except a registration fee of \$1 required for automobiles since 1902.

The vender's license includes amounts collected from transient dealers and peddlers. It also includes permits at \$1 each, issued by the Health Department for the selling of

<sup>1</sup> Passed April 27, 1896, 92 O. L., 707.

<sup>2</sup> Act of February 27, 1900, 94 O. L., 432.

<sup>3</sup> *Annual Reports*, 1901, p. xvii.

milk. Since 1900 this is the only item in this class. The theater and show licenses are self-explanatory; nothing has been realized from them since 1900. The slaughter license, being in charge of the Health Department, still persists. A fee of \$10 is charged for permission to engage in any branch of the slaughtering business. The gardener's license also remains, but purely as a market regulation. An annual charge of \$10 is made for wagon space at the curb in the vicinity of markets. The income from building permits consists of fees collected by the building inspector under the authority of a state law passed in 1888.<sup>1</sup> The amount of the fee has been reduced from time to time, the primary object not being to secure revenue. This is also true of permits issued to plumbers to make sewer and water connections and to open streets for repairing sewers. The principal licenses classed as "miscellaneous" are ferry licenses, music permits, pawnbrokers' licenses, licenses to collect wharfage, plumbers' license,<sup>2</sup> and livery license.<sup>3</sup>

The dog license, or "dog tax," as it is frequently called, never yielded a revenue at all commensurate with the attention paid to the subject. The idea was introduced soon after a city charter was obtained, a tax of \$1 being levied on every male and \$5 on every female dog in the city.<sup>4</sup> The ordinance was probably not enforced; practically no receipts are reported. The municipal code of 1852

<sup>1</sup> Act of April 16, 1888, 85 O. L., 289.

<sup>2</sup> An act passed April 21, 1896 (92 O. L., 263) "to promote the public health and regulate the sanitary construction of house drainage and plumbing" imposed a license on plumbers. It was collected by the Board of Health until April 1, 1898, when the law was declared unconstitutional. (*Annual Reports*, 1898, p. 784.)

<sup>3</sup> The livery license was a health measure enforced under a state law enacted April 18, 1893 (90 O. L., 110).

<sup>4</sup> Ordinance of July 27, 1836.

gave authority to levy a tax on dogs and other domestic animals not included in the list of taxable property for state and county purposes.<sup>1</sup> For two or three years following 1854 a considerable amount was collected, when non-enforcement again became the rule. In 1877<sup>2</sup> the attempt was renewed and 10,088 dogs licensed. By 1880 the number had fallen to 3,371.<sup>3</sup> At the request of the Board of Aldermen,<sup>4</sup> in 1887 the General Assembly provided for a tax of \$1 to \$2 per capita on dogs and specifically stated that in Cleveland the tax should be collected by the City Clerk and that the Council should provide by ordinance for enforcing the law and disposing of the money.<sup>5</sup> Since 1890 no receipts have been reported.

The lack of a license system in Cleveland cannot be attributed to insufficient general laws. Cincinnati, under the general laws of the state, in 1904 had more than thirty kinds of municipal license, yielding a total revenue of \$79,212.<sup>6</sup> Councils in Ohio cities are given power to license shows or performances of any kind not prohibited by law, hawkers, peddlers, auctioneers, hucksters, bill posters, advertising sign painters, and bill distributors; and "in granting such license, may exact and receive such sum of money as it may think reasonable."<sup>7</sup> The Supreme Court has uniformly ruled that license fees, though of considerable amounts, are not in violation of the constitutional requirements for uniformity in taxation and taxation according to true value in

<sup>1</sup> § xcv.

<sup>2</sup> Ordinance of June 4, 1877.

<sup>3</sup> City Clerk's Report, *City Documents*, 1879, p. 127; 1880, p. 163.

<sup>4</sup> *Proceedings of the Board of Aldermen*, January 5, 1887.

<sup>5</sup> Act of April 8, 1890, 87 O. L., 160.

<sup>6</sup> Report of City Auditor of Cincinnati, *Annual Reports*, 1904, p. 670.

<sup>7</sup> R. S., §§ 2669-2669c; § 7 Code of 1902. The question of what are "reasonable" charges is decided in *Sipe v. Murphy* (49 O. S., 536).

money.<sup>1</sup> Municipal corporations in Ohio are not permitted to tax employments.<sup>2</sup>

The revenue from fines may be passed over without discussion. It consists of fines imposed in the police court and collected, in general, in the same court. A portion of the fines has in certain years been collected in the Workhouse.

§ 42. *Gifts.* The most important gifts received by the city have been designed for the purchase or improvement of parks and for public library purposes. Mr. Andrew Carnegie in 1903 gave to the Library Board \$250,000 for the erection of seven branch libraries. Under the conditions of the gift the city is to provide sites and maintain the branch libraries at a cost of not less than \$25,000 per annum.<sup>3</sup>

§ 43. *From other Civil Divisions.* The only regular revenue received from "other civil divisions" comes from the state for school purposes. By far the larger part of this item is, however, only nominally a receipt of this character. A law originally enacted in 1853 devotes a portion of the state levy to the support of schools. After being paid into the state treasury it is redistributed by the auditor of state to the various counties in proportion to the number of youth of school age, and by the county auditor is redistributed to the school districts of the county. From the first the more wealthy districts have regarded this method as unjust. Money raised in Cleveland for educational purposes, it was urged, should be used for the local schools.<sup>4</sup>

<sup>1</sup> *Baker v. Cincinnati*, 11 O. S., 534.

<sup>2</sup> *Mays v. Cincinnati*, 1 O. S., 268. Cf. note 2, p. 104.

<sup>3</sup> *Thirty-fifth Annual Report of the Cleveland Public Library Board*, 1903, pp. 14-15.

<sup>4</sup> Complaint naturally arose at first because previously the city had received more from the state school fund than she contributed to it. (*Report of the Board of Education to the City Council*, 1854-55, p. 18; 1855-56, p. 14; 1861-62, p. 6. *Report of Auditor of State for 1855*, p. 7.)



In 1905 Cuyahoga county paid into the state common school fund \$253,457<sup>1</sup> and received from it \$223,336. Excess of payments over receipts is much larger in Cuyahoga than in any other county in the state. A small part of the funds<sup>2</sup> received from the state for school purposes is derived from the "Western Reserve Fund," consisting of interest paid by the state on money which has come into the treasury for lands granted to the state by act of Congress. This money constitutes an irreducible debt upon which the state must pay interest annually at six per cent.<sup>3</sup> The income is distributed to local school districts in the same manner as the revenue from the state school levy.

§ 44. *From Sale of Property.* The income from sale of property is comparatively unimportant and irregular in amount. Revenues from the sale of real and personal property are kept distinct. Sales of investments held by sinking or trust funds are not included; neither, of course, are the sales of products of municipal industries.

§ 45. *Interest Receipts.* Interest receipts fall into two main divisions,—interest on deposits and earnings of sinking funds. The former has become relatively large in recent years, while the latter tends to decline. Interest on bank deposits is reported for the first time in 1890. Previous to 1888 it was illegal for the Treasurer to deposit funds in his custody in any bank. The restriction was probably never complied with. In 1878 a special investigating committee of the Council reported that all the funds of the city were deposited with a banking firm of which the City Treasurer was a partner. Instead of condemning the prac-

<sup>1</sup> *Auditor of State's Annual Report*, 1905, p. 313. The state levy for this fund was one mill out of a total of 1.35 mills.

<sup>2</sup> An average of about \$6,800 per annum.

<sup>3</sup> R. S., §§ 3952, 3953, 3954, 3955.

tice as illegal it was recommended that the funds be distributed among several reliable banks.<sup>1</sup> During the following decade a change in the manner of caring for city funds was kept before the Council.<sup>2</sup> In the earlier discussions security against loss seems to have been aimed at rather than income. It is evident that the Council desired a voice in whatever regulations were made. This opportunity for councilmanic patronage was, however, absent from the law finally enacted in 1888.<sup>3</sup> The Mayor, President of the Board of Education and City Solicitor constituted a Depositary Commission. It advertised for proposals for the use of city and school moneys and awarded the privilege to the banks offering the highest rate of interest. Stringent provisions were made for the prompt deposit of all moneys paid to any collecting officer. In 1894 the Library Board also came under the depositary law and slight changes were made in the commission.<sup>4</sup>

The Code of 1902 makes a similar provision for all cities in the state. Awards are made to banks offering the highest rate of interest and which give satisfactory bond of a surety company, or furnish security not less than twenty per cent greater than the maximum amount deposited at any time. No bank can receive an amount greater than its paid-in capital and surplus, and in no case more than \$1,000,000. Unless public funds are deposited according to law the Treasurer is liable for losses.<sup>5</sup> Four per cent was the highest rate paid in 1905; the average rate for the next three years will be 3.98 per cent.

<sup>1</sup> *Council Proceedings*, February 18, 1878.

<sup>2</sup> *Ibid.*, February 23, 1880; *City Documents*, 1883, p. xii.

<sup>3</sup> Act passed April 11, 1888, 85 O. L., 197; amended April 16, 1890 (87 O. L., 210), April 7, 1892 (89 O. L., 225).

<sup>4</sup> Act of March 16, 1894, 91 O. L., 263.

<sup>5</sup> Code of 1902, § 135.

Net earnings of the sinking funds are regarded in this study as similar to the relatively temporary bank deposits made by the Treasurer. Although the sinking funds are managed independently, and are invested in productive securities, the nature of the income is precisely the same. Interest paid to the various funds by the city itself is treated as a transfer and not as a part of net earnings, although a small part of the income from the Library Sinking Fund, derived from city securities, is included for the reason that the trustees' report does not admit of an accurate separation. A full discussion of the city's sinking funds is given in another chapter.

§ 46. *Departmental Receipts.* Departmental receipts arise from services rendered by various departments for which charges are made, and from rentals of various kinds. A brief description will reveal the nature of this kind of revenue. The classification of departments for this purpose is identical with that followed in the analysis of expenditures and falls under the following general heads:

- I. General Government.
- II. Protection of Life and Property.
- III. Health Conservation and Sanitation.
- IV. Highways.
- V. Charities and Correction.
- VI. Education.
- VII. Recreation.

I. The chief receipt credited to "general government" arises from the rent of public buildings and lands. During the whole of the period since the present City Hall was occupied in 1875, it has been possible to lease to private parties a portion of it for stores and offices. In acquiring land for various purposes, especially for bridge approaches, numerous parcels have remained unused. Wherever it is

desirable to retain control of such lands, they are leased to private persons. The receipts from courts include costs of court and marriage fees collected by justices of the peace; officers' and marshal's fees; witnessing and serving writs for the police court, and from cases settled in the common pleas court. Other receipts of general government are miscellaneous. Prior to 1893 the amounts given in the statistics arise largely from inability to determine from the financial reports where in the classification many receipts in reality belong. With adequate financial reports miscellaneous receipts of general government become very small.

II. The fire and police departments to a large extent formerly, and still occasionally, receive pay for service rendered outside the city. Fees for inspecting and sealing weights and measures, fees of the boiler inspector, and for the inspection of private work requiring public supervision are reported here. City pounds formerly afforded a small revenue which is assigned to this division.

III. Since 1870 the health department has received small amounts in fees charged for "searching records and giving certificates" of births and deaths. This department for many years collected from residents and paid to contractors \$20,000 to \$30,000 annually for the removal of night soil. Prior to 1891 the money so collected and disbursed did not pass through the city Treasurer's hands and is not included in the Auditor's report. For these years the data are collected from the annual reports of the health department.

IV. General income from streets accrues chiefly from bills rendered for work done at the expense of private persons. A charge is made by the city for labor and materials used in repairing street pavements opened for sewer and water connections and plumbing. Beginning with 1902 the large receipts are due to the fact that the city has been doing paving formerly done wholly, and still largely, by

private contractors. A few thousand dollars are annually paid to the city for lighting railroad property. To bridges and viaducts are credited payments made by street railway companies for their use in operating street cars. These payments are looked upon as being made for "wear and tear" on bridges rather than as a public service privilege.

V. Receipts of the Workhouse are of two classes. Moneys derived from the manufacturing business are classified as the income of an "institutional industry." The true departmental revenue accrues from payments made by the Federal and state governments for board and transportation of prisoners. Receipts of the Infirmary include payments for the board of non-resident paupers and "private" patients; certain reimbursements for care, transportation and burial of paupers are also included.

VI. Receipts on account of education are very small. They consist of tuition fees paid by non-resident pupils, fees for manual training courses, and teachers' examination fees. The public library receives a small amount in fines and miscellaneous sales.

Income from municipal industries will be analyzed in a chapter devoted to that subject. One other kind of income has not yet been touched upon, namely, that from loans,—the sale of bonds and notes. This revenue is also assigned to a later chapter. The trust funds of the city are inconsequential, with perhaps one exception. Under a rule of the Water Works a deposit fee of \$1 is required for each foot of pipe laid at the request of property owners in streets where the estimated revenue will not pay six per cent per annum on the cost of the pipe. As soon as the revenue reaches that amount the deposit is returned. Deposits made for this purpose are given in the statistical tables, but are not included in the total revenues.

## CHAPTER IV

### EXPENDITURES

§ 47. *Introductory.* The revenues of the city formed the subject of the preceding chapter. We now take up expenditures. In an investigation of the finances of a single locality little choice as to the method of treating the subject of expenditures is afforded. The work is necessarily limited to a study of the concrete wants of the community and the method of satisfying them through the public economy. This method, though often condemned by writers on finance, is considered by Professor Bastable to be, "so far as inquiry has yet gone, the most convenient way of discussing this class of financial problems."<sup>1</sup> Such is the method of the present chapter. In order to be concrete, statistical data for the entire period are a prerequisite. Bare statistics of expenditure, however, mean little if not accompanied by a discussion of the nature of the city's wants, the way in which they arise, the changes that take place in them from time to time, and the way in which they are met. In other words, we are to inquire what use the city makes of the resources which it derives from the citizens and property owners in the various ways already discussed.

Granted that a given object of expenditure is a legitimate public function and occupies a place in the scale of common wants that justifies its claim upon the public purse, the question still remains in any particular case as to whether

<sup>1</sup> *Public Finance*, 3d ed., London, 1903, p. 148.

the results obtained are commensurate with the outlay. In other words, a study of public expenditure may be carried into the more purely administrative phase of the public economy. The obstacles in the way of accurately testing the efficiency of municipal administration are numerous and of serious importance. In a very general sense it is true that functions performed by local governments are everywhere the same. If, then, it were possible to work out a scientific system of accounting and secure its use by all cities, a comparison of one city with another would show where extravagance and waste are to be found. To a limited degree this can be done. The work of the health department, for example, may, over a long period of years, be judged by the death rate. The efficiency of organs of protection may be roughly measured by statistics of crime against persons and property, of losses by fire and preventable accidents. Still more difficult, perhaps, is a determination of the relative efficiency of institutions of charity and correction, and education; and most difficult of all to estimate is the result of those expenditures which are grouped under the head of recreation. By means of uniform and accurate accounting the best tests of economy and efficiency can be secured in the case of municipal industries.

§ 48. *Federal Statistics of Municipal Finance.* It is evident that even when in possession of the most accurate statistics of a financial nature, comparisons of one city with another cannot take into account conditions peculiar to each locality, which make necessary a larger or permit a smaller outlay for securing apparently equivalent results. Nevertheless, it cannot fail to be profitable to establish a general standard, and then throw the burden of proof upon the locality which appears not to measure up to it. The remotest approach to such a standard of expenditures has not existed until recently. We now possess a beginning in the

work of the Bureau of the Census of the Federal government,—the only comprehensive endeavor to present financial statistics of cities, scientifically classified, together with other data necessary for comparative studies. Since in the following pages frequent use will be made of these data, it may not be a digression to indicate briefly the origin, scope and purpose of the Federal statistics.

Investigations into the statistics of cities were included in the censuses of 1880 and 1890. Similar investigations were authorized for the census of 1900, but were postponed until after the publication of data relating to other matters. In the meantime a permanent census bureau was created in 1902 and a decennial collection of statistics of public indebtedness, valuation, taxation and expenditure of cities authorized. Statistical presentations of this kind had, however, been made annually from 1898 by the Department of Labor.<sup>1</sup> In order to avoid duplication, the work of collection and publication of statistics of cities was transferred from the Bureau of Labor to the Bureau of the Census, a step rendered possible by an act of Congress organizing the Department of Commerce and Labor so as to include both the Census Office and the Bureau of Labor. Through conferences and discussions of expert accountants, economists and city officials the census authorities in charge of the matter have worked out the most scientific and accurate schedule yet devised for reporting the financial transactions of cities. Results of the first investigation are embodied in "Bulletin 20—Statistics of Cities Having a Population of over 25,000, 1902 and 1903." Bulletin 50 continues the publication of data for 1904, with certain changes in classification. One special aim has been to se-

<sup>1</sup> The first report is found in the *Bulletin of the Department of Labor*, September, 1899.



cure comparable statistics of municipal finance. An attempt is made to exhibit "the relative total cost of municipal government; the relative cost of maintaining specific public services, such as schools and police and fire protection; the relative cost of constructing and maintaining sewers, streets, *etc.*"<sup>1</sup> Opportunity is, therefore, afforded to ascertain what light these Federal statistics throw upon the experience of Cleveland. To fail to use them would be to neglect the only serious effort so far made to furnish a basis for a comparative study.<sup>2</sup> The limitations on any conclusions reached in this way must, of course, be constantly borne in mind.

§ 49. *Classification of Expenditures.* A second method of study, also statistical, compares the expenditures of the city for one year and one period with others throughout its history. For this purpose a uniform classification applied to the whole period is quite as necessary as uniformity of accounting in instituting accurate comparisons between different cities contemporaneously. The greatest obstacle in presenting this historical survey is the utter lack of uniformity in the financial reports of the city from year to year. As elsewhere indicated, a detailed analysis of the cost of general government, previously to 1893, is impossible. As regards other departments the Auditor's reports contain

<sup>1</sup> *Bulletin* 20, p. 4; *Bulletin* 50, p. 5. On the development of the schedule adopted by the Bureau of the Census the Proceedings of the Conferences for Good City Government may be consulted. Valuable also are the published *Minutes of a Conference held in the City of Washington, November 19 and 20, 1903*, and the *Proceedings of a Second Conference, held February 13 and 14, 1906*, under the auspices of the United States Bureau of the Census. The introductions to Bulletins 20 and 50 describe in more detail the work of the Bureau.

<sup>2</sup> Financial statistics of Ohio cities for 1904 and 1905 have been published in conformity with the Uniform Accounting law of 1902. The financial data, however, are unaccompanied by other data necessary for reliable comparisons.

only a part of the city's expenditures, several boards enjoying independent financial powers. An appeal to the separate reports of such departments is unsatisfactory in almost every case. The fiscal years frequently do not cover the same period. Financial statements are not analyzed. Results in certain years are, therefore, not to be regarded as perfectly correct. While substantial accuracy is all that can reasonably be hoped for, it is believed that such inaccuracies as necessarily exist do not materially vitiate the general results.

The classification adopted for the historical study of expenditures, like that for revenues, is made to conform as closely as possible to that used in Bulletin 50,<sup>1</sup> which is based upon an analysis of the functions performed by the government. Expenditures<sup>2</sup> for each function and group of functions are further classified as "expenses" and "outlays." In Ohio municipal accounting the terms "ordinary" and "extraordinary" are employed. The latter is officially defined as "the expenditures for payment of debt, the purchase of public lands and buildings, the original construction of permanent improvements and such expenditures as result in *fixed assets* to the city."<sup>3</sup> To avoid throwing into one group payments for debt and for "fixed assets," and other errors likely to arise, it has seemed better to follow the census usage by adopting the term "outlay" and to define it as the expenditure incurred "in the purchase of lands and in the purchase or construction of buildings and other

<sup>1</sup> Publications of the United States Bureau of the Census, already described, will hereafter be referred to in this abbreviated form.

<sup>2</sup> It is always to be kept in mind that amounts tabulated are necessarily of disbursements, as distinguished from expenditures. The average of disbursements for a period of years would conform more closely to the accepted definition of disbursements. Cf. *Bulletin* 20, pp. 7-8.

<sup>3</sup> *Comparative Statistics*, 1904, p. 10.

structures, equipments, improvements, and additions which are more or less permanent in character.”<sup>1</sup> The term “expense,” as used, includes in a general way the cost of maintenance and operation. It corresponds closely to the term “ordinary” employed by the Ohio Bureau of Accounting.

In discussing the financial aspects of the functions of government the various topics will be taken up in the order in which they are presented in the statistics of expenditure. The arrangement is as follows:

I. *General Government.*

1. Council and Legislative Offices.
2. Mayor and other Executive Offices.
3. Law Offices.
4. Finance Offices.
5. Elections.
6. Public Printing.
7. Public Buildings and Lands.
8. Courts.
9. Costs of Court and Judgments.
10. Miscellaneous Expenses.

II. *Protection to Life and Property.*

1. Police.
2. Fire.
3. Inspection.
4. Miscellaneous.

III. *Health Conservation and Sanitation.*

1. Health Department.
2. Night Soil.
3. Sewers and Sewage Disposal.
4. Street Cleaning.
5. Garbage Collection and Disposal.
6. Miscellaneous.

<sup>1</sup> *Bulletin* 20, p. 9.

IV. *Highways.*

1. General Administration.
2. General Street Expenditures.
3. Paving.
4. Sidewalk Construction.
5. Street Lighting.
6. Street Signs.
7. River and Harbor.
8. Bridges and Viaducts.
9. Abolition of Grade Crossings.

V. *Charities and Correction.*

1. General Administration.
2. House of Correction.
3. Infirmary Department.
4. Out-door Relief.
5. City Farm School.
6. Indigent Blind.
7. Employment Bureau.

VI. *Education.*a. *Schools.*

1. Salaries of teachers.
2. Land and buildings.
3. Other expenses.

b. *Libraries.*

1. Salaries.
2. Land and buildings.
3. Books.
4. Miscellaneous.

VII. *Recreation.*

1. Parks.
2. Baths.

VIII. *Municipal Industries.* (Chapter V.)

§ 50. *General View of Expenditures.* In a general view of the development of Cleveland's expenditures certain fea-

tures are especially prominent, and may be referred to before the various items of the budget are taken up. Perhaps the most striking of these is the growth. Not only have expenditures increased absolutely, as they necessarily must with the growth of population; in almost every department of government and municipal enterprise expenditure has increased far more rapidly than population. Per capita expenditures have doubled, trebled and quadrupled. This is true, of course, not only of Cleveland; other cities in a greater or less degree show the same phenomenon.

Along with this constantly increasing cost of conducting the city's affairs should be placed the periodical efforts to effect economy and "retrenchment." The motive for such efforts has seldom, if ever, been an *a priori* belief that the city was spending too much money. They grew, on the contrary, out of the practical condition of an excess of expenditure over receipts, taxation at the same time having usually reached the maximum limit allowed by law. In 1855, following a period of greatly increased expenditures, a general demand for economy appeared. Citizens insisted that no expense should be incurred "not absolutely necessary to carry forward the machinery of municipal government, and preserve the faith of the city."<sup>1</sup> Some reduction was effected; but in 1858<sup>2</sup> the Mayor found it necessary to admonish the Council that the expenditures of the city for the four years past had "outstripped the home enterprise of its citizens" and should be reduced. Annual deficits had made necessary a resort to loans for current expenses. Disbursements for interest in 1852 barely exceeded \$1000. In 1858 more than \$45,000 was paid out on this account. Convinced that no amount of economy would

<sup>1</sup> *City Documents*, 1857, p. 3.

<sup>2</sup> *Ibid.*, 1858, p. 10.

keep the expenditures within the revenue from a low maximum tax rate,<sup>1</sup> the Council appealed to the Legislature, the tax rate was raised and permission secured to fund a large part of the floating debt.

The Civil War was not without a marked effect on the city's finances. High prices of labor and material stopped all improvements.<sup>2</sup> Population rapidly increased; commercial and manufacturing enterprises prospered. Per capita expenditures rose from 1860 to 1865, but not so rapidly as in the decade following. For the larger part of the period from 1860 to 1870 it seems to have been possible to keep the expenses within the revenues. The following decade, however, witnessed the most reckless financial management in the city's history.

A tendency to close the year with a deficit appeared before 1870. In 1869 the Mayor deprecated the necessity of having to borrow money, and pay interest on it, to meet current expenses.<sup>3</sup> From this time until 1874 a large part of the cost of maintenance and operation was met by issuing bonds.<sup>4</sup> From November 1, 1869, to the spring of 1874 over a million and a half of bonds were issued to "pay odds and ends of unguarded current expenditures."<sup>5</sup> The cause of the evil was not far to seek, and the remedy was a simple one, though requiring a tenacity of purpose city officials seem to have lacked. "The most aggressive managers of the different departments," said Mayor Payne, reviewing in 1875 the conditions of the five years previous, "frequently invaded the other departments and appropriated their revenues without being brought to any accountabil-

<sup>1</sup> Cf. *supra*, § 32.

<sup>2</sup> *City Documents*, 1864-65, pp. 9, 57.

<sup>3</sup> *Ibid.*, 1869, p. 13.

<sup>4</sup> *Infra*, § 86.

<sup>5</sup> *City Documents.*, 1874, p. xi.

ity.”<sup>1</sup> Such irregularities were encouraged, of course, by the lack of an adequate system of accounts and reports. Conditions are clearly revealed in the Mayor’s recommendation in 1874, “that a *new policy* be inaugurated; that this year we spend no money for the ordinary purposes of the city not especially provided as the revenue for these purposes.”<sup>2</sup> The reform movement prevailed. “No Council before the present one,” the Auditor declared, “has ever adopted the theory, or insisted on the practice, of having every municipal department absolutely restricted in its expenditures for each year to the revenues accruing during that year.”<sup>3</sup> The law was complied with in 1874 and again in 1875, each department having at the end of the latter year a cash balance,—in all departments a surplus of \$274,445. So unusual was the enforcement of the law in this respect that the party in power in 1874 was suspected of acting for political effect. But when in the following year the opposite party continued the policy, the political character of the reform was subject to some doubt.<sup>4</sup>

The “new policy” inaugurated in 1874 was after all far from being the complete reform that official reports indicated. Breach of the law had not been confined to the general funds, special funds also being overdrawn; and an observance of the law in the case of the former but aggravated the evil in the latter. Bonds issued for special street improvements fell due before assessments had been made to pay them. When the Council failed to reissue the bonds the Treasurer was obliged to choose between destroying the city’s credit and taking money illegally from other funds; he chose the latter as the lesser evil. In the three years preceding 1877 an average of \$500,000 was used in this way.<sup>5</sup>

<sup>1</sup> *City Documents*, 1875, p. x.

<sup>2</sup> *Ibid.*, 1874, p. x.

<sup>3</sup> *Ibid.*, 1874, p. 9.

<sup>4</sup> *Ibid.*, 1876, p. i.

<sup>5</sup> *Ibid.*, 1877, p. 27.

The accounts showed everything in good condition; in all regular city funds a credit balance appeared. The market fund at the beginning of 1877 contained \$91,118; at the close of the year \$111,272. Yet when the market house and grounds were to be improved, it was found that not a dollar existed in this or any other fund.<sup>1</sup>

Once more retrenchment became the watchword. A similar condition existing throughout the state alarmed property holders who sought relief in the Legislature. An act<sup>2</sup> known as the "Burns Law" became effective in Cleveland, December 1st, 1876. Under it no contract involving expenditure could be entered into or any appropriation made by the Council or other authority unless the Auditor certified that the money required was in the treasury to the credit of the proper fund and not appropriated for any other purpose. Although it was argued that the act did not apply to special improvements, it was strictly construed in Cleveland. Reversing the customary order of procedure, it practically stopped all sewer-building and street improvements. By 1882 a demand for repeal or modification became general. Though admitted to be theoretically good, it was denounced as practically injurious and unworkable. "It has served a good purpose," the City Engineer urged, "during the years of financial depression in restricting improvements which were not called for and such as could be postponed until better times, but now that times have improved, very many improvements that have been laid over from year to year have become an absolute necessity, and must be made, or the city will suffer financially, and in a sanitary way."<sup>3</sup> An attempt to repeal

<sup>1</sup> *City Documents*, 1877, p. 30.

<sup>2</sup> Passed April 8, 1876, 73 O. L., 126. By special act Cleveland was exempted until December 1st (73 O. L., 164).

<sup>3</sup> *City Documents*, 1881, p. 196.



the Burns law was opposed by the Council in 1881,<sup>1</sup> but less than a year later its Committee on Legislation reported a bill to secure the repeal.<sup>2</sup> A proviso was secured that in Cleveland funds in the hands of the Sinking Fund Commissioners of 1862, when set apart by ordinance for any particular purpose, should be considered as money in the treasury.<sup>3</sup> With important exceptions, especially in case of street improvements, the principle of the Burns law still obtains.<sup>4</sup>

A total expenditure in 1878 of \$3,585,429, exclusive of debt payment, was reduced to \$1,817,508 in 1880. In the period from 1880 to 1885 many departments exhibit a per capita expenditure lower than existed for ten or fifteen years before. But by the end of the decade the pendulum had swung to the other extreme, and again "the exigencies of the general financial condition of the city" absolutely required "the most stringent economy."<sup>5</sup>

Total expenditures for city government, schools, and library, as presented in the statistical tables, do not cover the entire cost of local government. The county as a separate unit expends nearly two millions annually. About eighty-seven per cent of the assessed value of property in the county lies within the corporate limits of the city. A somewhat smaller percentage of county expenditure is applied to governmental functions duplicating or paralleling the work of the municipal government. Expenses of elections, courts, finance offices, charitable institutions, *etc.*, are due in a large degree to the city. It would make for greater economy

<sup>1</sup> *Council Proceedings*, February 7, 1881.

<sup>2</sup> *Ibid.*, January 9, 1882.

<sup>3</sup> Act of January 19, 1882, 79 O. L., 55.

<sup>4</sup> Municipal Code, § 45.

<sup>5</sup> *Proceedings of the City Council*, December 23, 1889.

and efficiency if the county proper could be limited to the territory outside of the city, as is the case with St. Louis; or, perhaps it would be even more practicable and desirable to make such cities as Cleveland and Cincinnati coterminous with the county, unifying their governments and financial administration, as is done in Philadelphia. In Boston also there are no separate county financial authorities; county and city budgets are one and the same.<sup>1</sup> A movement was actually set on foot by the Council in 1889<sup>2</sup> to have the city made a county by itself, in order to do away with the expense of a double set of officers, it was alleged; but nothing further was heard of the resolution.

§ 51. *General Government.* 1. Expenditures on account of the Council and legislative offices include salaries of councilmen and council officials, the serving of notices on property owners, stationery and other miscellaneous and contingent expenses. Salaries of Clerk and Council have always formed the bulk of legislative expenditures. At first the Clerk received \$100 a year and the councilmen \$1 for each meeting attended,<sup>3</sup> but for members of the Council this was regarded as too large a remuneration.<sup>4</sup> A law enacted by the Legislature in 1841<sup>5</sup> forbade aldermen and councilmen to receive any compensation whatever, and provided that no officer in the city should be allowed more than \$200 in any one year as salary or compensation of any kind. This rule persisted for nearly a decade, the Clerk of the Council and the marshal being the first to profit by its repeal. In

<sup>1</sup> Cf. *Report on the Municipal Revenues of Chicago*, by Professor C. E. Merriam (Chicago, 1906), pp. 41-42, 46, 51.

<sup>2</sup> *Council Proceedings*, December 16, 1889.

<sup>3</sup> *Proceedings of the Council*, March 4, 1837.

<sup>4</sup> *Cleveland Daily Herald*, March 18, 1840.

<sup>5</sup> Act passed February 21, 1841, 39 O. L. A., 66.

1850 each of these officers received \$400.<sup>1</sup> The Clerk's salary had risen to \$1800 in 1875, to \$2,000 in 1885, and to \$2,500 in 1890; it is now \$3,000. Total expenses of the Council in 1893<sup>2</sup> were \$25,204. From this they were gradually reduced to \$18,206 in 1902. The new Municipal Code of that year increased the number of councilmen from twenty-two to thirty-two and fixed a maximum salary of \$1,200 for each member.<sup>3</sup> The salaries of Cleveland councilmen were at once raised to the maximum, almost doubling the cost of the Council. In 1905 the regular expenses of the legislative department were more than three times as large as in 1902. Salaries paid to councilmen in 1902 aggregated \$5,515; in 1905, \$29,753; and in 1906 the appropriation was \$40,400.

2. Under the first city charter the Mayor's salary was \$300. The law of 1841 reduced it to \$200, at which amount it seems to have remained until after 1850. In 1875 it was \$3,000, under the Federal Plan \$5,000, and it is now \$6,000. The office force, contingent and other expenses of the Mayor's office cost about \$6,000 more. During the period of the Federal Plan, salaries of the Mayor's Cabinet, or Board of Control, together with its clerks, are included in the expenses of the Mayor's office; and general expenses of the chief administrative officer, the Director of Public Works, are tabulated as "other executive offices." In the same way are treated, under the new Code, the Board of Public Service, with its clerks and general expenses. Practically no increase in the cost of executive offices has occurred since 1893.

<sup>1</sup> *Daily Herald*, March 18, 1850. The street supervisor was allowed forty per cent of the poll tax collected. This in 1850 yielded \$505.65.

<sup>2</sup> From 1875 to 1893 the financial reports give no clue to the relative cost of different departments of the general government.

<sup>3</sup> Proportionate reduction is made for non-attendance on regular or special meetings. (*Municipal Code*, § 126.)

3. Expenses of the legal department consist almost wholly of the salary of the Corporation Counsel, or Solicitor, his assistants and office force. In the earlier years counsel was employed for each special piece of litigation arising. The legal department of the government first became prominent in the decade 1870-1880, when a vast amount of litigation arose over special assessments. With the Federal Plan the cost of this department increased but slightly. The new Code has entailed increased expenditures incident to the interpretation of a new and unfamiliar body of law. It also added the duties of Police Prosecutor to the duties of the City Solicitor, necessitating a much larger force.<sup>1</sup>

4. Expenditures for finance offices obviously include salaries of Auditor and Treasurer, their assistants and office force, and general office expenses. The Department Examiner's salary, commissions to foreign banks, and salaries of the Board of Equalization and Assessment in certain years, are also included. Salaries of the Board of Review are now paid by the county. In Bulletin 50<sup>2</sup> little or nothing is reported as cost of assessment and collection of taxes in Cleveland and other Ohio cities. Technically this is correct. It is, however, an example of the way in which legal fictions vitiate the value of financial statistics. County officers in charge of tax assessment and collection have hitherto received for their services a percentage of all taxes collected in the county. Tax receipts as contained in the reports of the City Auditor, Board of Education and Library Board are always net, fees for collection having been deducted. Clearly these deductions are a part of the cost of the financial administration of the city. Fees of county

<sup>1</sup> *Annual Reports*, 1903, p. 941.

<sup>2</sup> Table 5, pp. 67, 72.

auditor and treasurer, together with the tax inquisitor's fees, deducted from tax collections for city purposes, have been included in 1894 and thereafter with the receipts from taxes and other sources and are likewise charged to the finance offices of the city. In this way a closer approximation of the taxpayer's real burden for local government is reached. Financial administration is the largest item in the cost of general government.

5. Elections have entailed an expenditure about equal to that for the legislative department. A portion of the salaries of permanent election officers is paid by the county. The chief expense is on account of the large body of officials employed on election and registration days. Outlay for portable election booths, with the additional expense of care and storage, has been a considerable item in recent years.

6. Expenditures for public printing vary greatly from year to year, depending largely on the amount of business carried on by the various departments requiring official advertising. In 1875 \$19,266,—\$16,081 of which was for advertising,—was paid for printing. Apparently this figure was not reached again until 1903. State laws determine to a very large degree this class of expense. The large increase in 1903 was caused by the new Code, which required the publication of ordinances and resolutions in three newspapers, increasing the cost from \$5,000 to \$35,000 a year.

7. Expenditures for public buildings and lands, so far as the general government is concerned, relate almost exclusively to the City Hall. Prior to 1875 city offices occupied rented quarters in different parts of the city. In 1874 a building much larger than was needed for city purposes was leased at a cost of \$43,000 per annum. It was hoped that by sub-letting space for stores and offices a

substantial offset to this enormous rent might be secured, but the hope was not realized. The net cost of the building to the city has probably averaged \$40,000 a year from 1875 to 1906.<sup>1</sup> Expenses include fuel, light, supplies, repairs, and salaries of employees, in addition to the largest items,—rent and taxes. The land and building constituting the City Hall property were purchased by the city in 1906.<sup>2</sup> Agitation for a new city hall resulted in 1892 in the establishment of a City Hall Sinking Fund.<sup>3</sup> Legislation in 1898<sup>4</sup> authorized an issue of \$1,500,000 bonds and provided for a bi-partisan commission to secure land and to erect and furnish a city hall. To January 1, 1906, nearly a million dollars had been expended in acquiring the land and arranging preliminaries. Progress is now at a standstill owing to a lack of funds, an issue of \$300,000 bonds to provide funds for beginning the foundations having failed to receive the necessary popular approval in a special bond election October, 1906. The building when completed will have cost approximately \$3,000,000.

A scheme of public buildings known as the "Group Plan" has attracted much attention. In 1899, in view of the fact that at least four important public buildings were soon to be erected, the Chamber of Commerce took up a project for securing architectural unity. An act of the Legislature<sup>5</sup> gave the Governor of the state power, when requested by the city of Cleveland, to appoint a board of experts to control "the size, height, style and general appearance" of county and municipal buildings "for the

<sup>1</sup> *Annual Reports*, 1897, p. 1101.

<sup>2</sup> *Cf.* § 95.

<sup>3</sup> *Infra*, § 98.

<sup>4</sup> Act of April 19, 1898, 93 O. L., 549.

<sup>5</sup> Act of May 6, 1902, 95 O. L., 879.

purpose of procuring, in their location and erection, the greatest degree of usefulness, safety and beauty." A Federal building is in process of construction at a cost of \$3,000,000. A union station is also a part of the "Group Plan." A city hall, county building, and public library building will cost about \$6,000,000. The total expenditure for land, buildings and improvements is estimated at nearly \$14,000,000, exclusive of the Government building and the union station.<sup>1</sup>

8. Expenditure for courts has usually been treated in relation to the function of protection to life and property. It seems more accurate on the whole, however, to follow the census classification and regard the courts as a part of general government. Courts of two kinds are maintained by the city, namely, the police court and the courts of the justices of the peace. For a short time the city possessed a court of a higher rank than the police court. A court of record was created by the General Assembly in 1873, known as the Superior Court of Cleveland, which consisted of three judges elected by the people for a period of five years. It had jurisdiction in civil cases and was clothed with the same powers as the court of common pleas, within the limits of the city. The judges received \$2,500 from the state and \$2,000 from the city. To meet the expense of the Superior Court the Council was authorized to levy a general property tax.<sup>2</sup>

Salaries of judges and justices, and of court officers and clerks, are the main items of expense. Judges and officers of the police court are paid partly by the county.<sup>3</sup> Under

<sup>1</sup> *Vide* article by E. C. Baxter, *Review of Reviews*, vol. 31 (1905), pp. 561-566.

<sup>2</sup> Act passed May 5, 1873, 70 O. L., 297-303. Repealed by act of March 27, 1875, 72 O. L., 89.

<sup>3</sup> R. S., § 1797; 89 O. L., 306.

police court, witnesses' and jurors' fees, and transportation of prisoners, figure as expenses. Office rent for the justices and the usual office expenses of both courts are smaller items.

The cost of the judicial function has not kept pace with population. At present expenditures are also low as compared with those of other cities.

9. Costs of court and judgments against the city, although a constant factor in the budget, vary greatly in amount from year to year. The budget and financial reports incorporate these costs in the maintenance of the Solicitor's office, but the two are kept distinct in this study, for obvious reasons.

10. From 1876 to 1893 the expenses of general government are reported in a single amount without analysis. Prior to 1875 nothing is given but the items of the general fund, often several hundred in number. These, however, could be redistributed to the several offices, were it not for a grouping of the pay-rolls in one lump sum. Moreover, the general fund before 1870 was drawn upon for a part of the cost of street lighting, care of bridges, health department and other municipal expenses. Caution should, therefore, be used in dealing with the totals prior to 1870. Nevertheless, the course of expenditures for general government is instructive. The average per capita expense for the quinquennial period 1846-50 was \$0.11; from this it steadily rose to \$1.49 in 1871-75. The retrenchment and economy forced on the city in the following decade brought it down to \$0.76. In the period 1886-90 the figures stand at \$0.91. No appreciable change occurred under the Federal Plan, the per capita cost being \$0.92 in 1901. An insistent claim of Mayor McKisson that the cost of government as compared with population had been greatly reduced by the



Federal Plan<sup>1</sup> was without foundation. A part of his error may be accounted for by the greatly exaggerated estimate of population that he used. Credit may, perhaps, be given to the centralized administration for keeping the growth of expenditures from exceeding the increase of population. Since 1902 a tendency toward a rapid per capita increase is evident.

§ 52. *Police.* The two principal functions grouped under the caption "protection to life and property" are the police and fire departments. These two are among the first objects to call for public expenditure.

The police fund was established in 1854; up to that time salaries of marshals and nightwatchmen had been paid from the general fund. In 1854 the total expense for police was only \$7,554. The immediate effect of union with Ohio City and reorganization of the police force under state laws<sup>2</sup> was a disbursement increased to \$17,639 in 1855; from this date until the Civil War no further increase occurred. The War increased expenses in two ways. Advance in the cost of living made it necessary to pay higher wages. By reason of frequent rumors of raids and incendiary attempts planned by refugees in Canada the force was augmented.<sup>3</sup>

A law of 1866 established a Board of Metropolitan Police Commissioners<sup>4</sup> and removed the police fund, with the tax levy for its support, from the control of the Council. A board of four commissioners, appointed by the Governor of the state, assumed full management of the police function. The purpose of this change is not clear, although the

<sup>1</sup> Mayor's Message, *Annual Reports*, 1898, p. xi.

<sup>2</sup> Act passed April 17, 1854, 52 O. L., 47.

<sup>3</sup> *City Documents*, 1864-65, p. 7.

<sup>4</sup> Act passed April 5, 1866, 63 O. L., 104.

Mayor who was made an *ex-officio* member of the board was assured that it would prove to be worth while.<sup>1</sup> Friction at once arose. In two years the Legislature<sup>2</sup> abolished the board and all its powers were vested in the Mayor, pending the election of a board of commissioners by districts, "as more in accordance with the principles of our elective government."<sup>3</sup> Only a moderate increase in the force of the department and its expenditures occurred until 1872. In that year the law was again changed,<sup>4</sup> entrusting the government of the force to a Board of Police consisting of four elective commissioners and the Mayor. A force of eighty-seven men in 1870 was increased to one hundred and forty-four in 1872. Expenditure was nearly doubled. Dissatisfaction and distrust were rife. Mayor Payne publicly accused<sup>5</sup> the police of being in league with thieves and criminals. "Detectives from other cities," he declared, "refuse to consult with our force lest, forewarned, thieves or receivers of stolen goods may have time to hide them." Again the General Assembly was appealed to, and a new statute<sup>6</sup> governing the Police Board was enacted. By this act also the Board of Health was abolished and its functions transferred to the Police Board. The law of 1876 created a Contingent Fund to be controlled solely by the Police Board and used for expenses not otherwise provided for. It was to accrue from service of writs and marshal's fees.<sup>7</sup>

The cost of maintaining the department in 1887 was de-

<sup>1</sup> *City Documents*, 1866, p. 8.

<sup>2</sup> Act of April 2, 1868, 65 O. L., 45.

<sup>3</sup> *City Documents*, 1868, p. 8.

<sup>4</sup> Act of March 11, 1872, 69 O. L., 28.

<sup>5</sup> *City Documents*, 1874, p. xxx.

<sup>6</sup> Act of March 17, 1876, 73 O. L., 47.

<sup>7</sup> *Ibid.*, § 9; 78 O. L., 224.

scribed as "extraordinarily heavy."<sup>1</sup> The salaries of the force had been increased by act of the Legislature.<sup>2</sup> In the same year also a police patrol system had been established, adding to the expenses. Under the Federal Plan expenses of maintenance gradually rose from \$294,628 in 1891 to \$426,141 in 1902. In 1899 a campaign was launched for a greatly increased police force, the main argument apparently being that Cleveland did not have as many patrolmen as other cities of the same population. To a force consisting of 355 men the Superintendent of Police desired to add 200 patrolmen the next year,<sup>3</sup> though for immediate additions no funds were available.<sup>4</sup> Under the new Municipal Code the Board of Public Safety administers the finances of the police department. In its report for 1904 the Board declares that "the police department was never large enough to compare in size with other large cities."<sup>5</sup> On January 1, 1905, the police force consisted of 514 members, which the department wishes to increase to 1000 as rapidly as possible.<sup>6</sup>

Police pensions have come to add materially to the cost of this service in cities of over 100,000 population.<sup>7</sup> Relatively few of the smaller cities maintain any pension systems at all. The law establishing a Metropolitan Police Board provided for a "police life and health insurance

<sup>1</sup> Report of the Board of Police Commissioners, *Annual Reports*, 1887, p. 82.

<sup>2</sup> Act of March 18, 1887, 84 O. L., 110.

<sup>3</sup> *Annual Reports*, 1899, p. 695.

<sup>4</sup> *Council Proceedings*, August 21, 1899.

<sup>5</sup> *Ibid.*, 1904, p. 482.

<sup>6</sup> *Annual Report of the Chief of Police*, 1905, p. 12.

<sup>7</sup> Expenditures for the police department, as given in the Appendix, include payments for pensions; the City Auditor's report has not done so until recently.

fund," made up of income arising from extraordinary services of the police force, and from the sale of unclaimed property. It was managed by a board of trustees. In 1881 the Life and Health Fund was abolished and a Police Pension Fund established.<sup>1</sup> The new fund received the balance of the old one and was to be kept up chiefly by one-third of moneys from all sources not otherwise disposed of by law, one-third of all money collected by the police court for the work of the police in serving writs, witness fees and fines imposed on members of the force for violating rules. The income of the contingent fund was thus much reduced. A board of nine trustees managed the fund, two of them being elected by the police force from their own number. The reorganization of the various departments in 1891 left the Police and Firemen's Pension Funds unaffected.<sup>2</sup> The law now provides a Board of Trustees consisting of the Board of Public Safety and five members of the department, elected by the members. The Council may provide for the fund by a tax levy not exceeding three-tenths of a mill. If not provided for in this way, an equal amount is taken from the liquor tax. The resources of the fund also accrue from fines on members of the department; from rewards, gifts, *etc.*, for extraordinary services; from unclaimed property and money; from bequests and from assessments on members voluntarily agreed to.<sup>3</sup>

§ 53. *Fire Service.* A very large part of the total expenditure of the village and the city under the charter of 1836 was for fire protection. One of the imperative duties of the trustees of the village was to "cause a good and sufficient well" to be made at the expense of the public

<sup>1</sup> Act passed April 19, 1881, 78 O. L., 224.

<sup>2</sup> 88 O. L., 113, § 43.

<sup>3</sup> R. S., 1536-597.

treasury.<sup>1</sup> In 1829 a fire engine was purchased at an expense of \$285, a treasury order being issued in payment, and this was regarded as such unwarranted extravagance that the trustees responsible for it failed of re-election.<sup>2</sup> By 1843 it became necessary in some way to reduce the expenditures for fire protection, which had "fallen with a heavy weight upon the resources of the city."<sup>3</sup> The Legislature came to the assistance of the city by exempting firemen from military duty, from labor on the highways, and from serving as jurors.<sup>4</sup> In 1847<sup>5</sup> each fireman was paid \$1 a day in city orders for his services on "parade days," or about \$0.62½ in cash. In view of the privileges of firemen it was suggested that the cost of the department could be reduced if those orders could be brought to par.<sup>6</sup> No reduction was effected, the annual expenditure rising steadily until in 1870 it reached for the first time \$100,000. The rapid rise at this time was attributed to the growth of the city and an increase of property in need of fire protection,<sup>7</sup> but when two years later it reached \$228,346 this explanation was regarded as insufficient. "I cannot resist the conviction," said the Mayor, "that some of this outlay should have been dispensed with or postponed."<sup>8</sup> In three years \$200,000 had been transferred to the fire fund, and yet in 1873 \$95,760 belonging to other departments had

<sup>1</sup> *Cleveland Herald*, August 22, 1820.

<sup>2</sup> S. O. Griswold, "Corporate Birth and Growth of Cleveland," *Western Reserve and N. O. Hist Society Tracts*, vol. ii, no. 62, p. 301.

<sup>3</sup> Inaugural Address of Mayor Starkweather, *Daily Herald*, March 19, 1844.

<sup>4</sup> Act of March 13, 1843, 41 O. L., 101.

<sup>5</sup> Ordinance passed June 29, 1840; repealed August 31, 1847.

<sup>6</sup> *Daily Herald*, March 15, 1847.

<sup>7</sup> Report of Chief Engineer, *City Documents*, 1870, p. 78.

<sup>8</sup> *City Documents*, 1873, p. 22.

been appropriated. Evidently the fire department had a manager of the "aggressive" type, who had caused so much trouble with the finances.<sup>1</sup> Investigations by a special committee of the Council resulted in a state law transferring the fire department from the Council Committee on Fire and Water to a Board of Fire Commissioners, consisting of five members appointed by the Mayor and Council.<sup>2</sup> The new administration was able to effect a reduction of twenty-five per cent in the expenses without reducing the equipment or diminishing the protection to the large amount of new territory.<sup>3</sup> A supplementary act in 1874 made the Mayor and the chairman of the Council Committee on Fire and Water members of the board.<sup>4</sup> A check was placed on its expenditures by requiring a vote of a majority of the members, taken by yeas and nays and entered on the minutes. For contracts involving more than \$500 the approval of the Council had to be secured and the award made by competitive bidding. These financial powers were left unaltered by a radical change in the composition of the board in 1876.<sup>5</sup> The Mayor was dropped, the Chairman of the Council Committee on Fire and Water retained and four resident freeholders were elected annually for a term of four years. The board elected its own president and appointed as secretary some one not a member of it. The reason for making the board elective at this time is not apparent. During the year 1875 severe retrenchment had been effected, the total expenditure being but \$149,895. For the first time in the history of the paid fire department the year was closed without debt.<sup>6</sup> A saving of \$12,000 a year had been effected

<sup>1</sup> *Supra*, p. 120.

<sup>2</sup> Act passed April 29, 1873, 70 O. L., 188.

<sup>3</sup> *City Documents*, 1874, p. xxii.

<sup>4</sup> Act of March 21, 1874, 71 O. L., 38.

<sup>5</sup> Act of March 27, 1876, 73 O. L., 76.

<sup>6</sup> *City Documents*, 1875, p. 247.

by dismissing twenty-eight "stationary" men and substituting fifty-six "minute men" at \$240 per annum.

For some years the Board of Underwriters had paid a salary of \$280 a month to a Protection Company, but in the spring of 1877 this support was withdrawn and the company disbanded.

Expenditures could not be kept for a long time at the point to which they were reduced in 1880 and 1881; the Board soon felt its facilities to be inadequate. In 1887 it reported to the Council that while the best authorities agreed there should be one company to each square mile of territory, Cleveland had only fifteen stations for twenty-seven square miles.

The organization of the Board was changed again in 1886. The Mayor was returned as president, and the chairman of the Committee on Fire and Water of the new Board of Aldermen added, making seven members in all. When the Federal Plan abolished the board of commissioners in 1891, the expenditures of the department were \$286,852; in 1901 they had increased to \$633,805. Under the management of the Board of Public Safety the figures will probably reach \$700,000 in 1907.

Just as in the police department, a part of the increase may be attributed to liberal provisions for pensions. A voluntary Fire Relief Association was organized in 1868, supported by initiation fees, monthly dues from firemen<sup>1</sup> and donations from the public. In 1880 the work of the private association was supplemented by a relief fund for disabled firemen,<sup>2</sup> consisting of a part of the tax on the gross receipts of foreign insurance companies. By the original law the fund was in control of a board consisting of

<sup>1</sup> *City Documents*, 1873, p. 180.

<sup>2</sup> Act of April 17, 1880. 77 O. L., 309; also 78 O. L., 137.

the Mayor and the Board of Fire Commissioners. An amendment in 1883 enlarged the body by the addition of two persons elected by the department from its own members; <sup>1</sup> other minor changes were made in the board in 1886 and 1890.<sup>2</sup>

Special pension acts had become numerous in the state in 1902, when a general act was passed <sup>3</sup> providing police, fire and sanitary pension funds by taxation. The Council is authorized to levy not more than three-tenths of a mill for the firemen's pension fund, and in case it neglects to provide sufficiently by tax levy, an amount equal to the maximum can be taken from the proceeds of the liquor tax. The new Code retains the law of 1902 and also gives the Council power to provide from the fire or police funds for relief of members temporarily or permanently disabled in discharge of their duty.<sup>4</sup> Annual payments in Cleveland amount at present to about \$60,000. Only four other cities in the country make so liberal a provision in this respect.<sup>5</sup>

§ 54. *Protection to Life and Property,—Conclusion.* Other minor expenditures fall under protection to life and property. An armory to accommodate the Ohio National Guard was erected in 1879, the Legislature having authorized the Council to levy a tax of three mills and make a temporary transfer of funds from the market to the armory fund.<sup>6</sup> Under a special act <sup>7</sup> of the next year was organ-

<sup>1</sup> Act passed March 29, 1883, 80 O. L., 86.

<sup>2</sup> Acts of April 30, 1886 (83 O. L., 108), and April 18, 1890 (87 O. L., 1227).

<sup>3</sup> Act of April 23, 1902, 95 O. L., 223.

<sup>4</sup> § 155.

<sup>5</sup> These cities are New York, Chicago, Boston, and Philadelphia. *Bulletin* 50, p. 78; *Bulletin* 20, p. 216.

<sup>6</sup> Act of April 10, 1879, 76 O. L., 55.

<sup>7</sup> Act of March 6, 1880, 76 O. L., 330.



ized a Gatling Gun Battery, subject to the Mayor's call in case of riot or insurrection. Later, for a period of years—1894 to 1901—the city bore the expense of janitor service for the armory. Small amounts have occasionally been spent on cattle and dog pounds.<sup>1</sup> The “inspection fund” in the municipal accounts relates solely to the cost of inspecting the street improvement work done at the expense of private parties. Expenses of the building inspector<sup>2</sup> and smoke inspector are included here, so far as they can be determined from the Auditor's report.

The total per capita expense for protection of life and property varies directly with the size of a city. The Bureau of the Census divides into four groups the one hundred and fifty-one cities of the United States having a population of over 30,000, placing in Group I the fourteen cities with over 300,000; in Group II, the twenty-five cities of 100,000 to 300,000; in Group III, the forty-five cities between 50,000 and 100,000; and in Group IV, the sixty-seven with a population between 30,000 and 50,000.<sup>3</sup> The per capita expense of protection to life and property in Group I was in 1904 \$4.41; in Group II, \$3.06; in Group III, \$2.58, and \$2.31 in Group IV. Although Cleveland in population falls in

<sup>1</sup> Expenses incurred on account of pounds, being paid from the general fund, cannot be tabulated separately. Cattle pounds in 1876 cost \$4,884 and dog pounds \$1,573. “The large tracts of unoccupied lands within the city limits, upon which the owners of cattle in every part of the city claim and exercise the right (not legal) to pasture them, necessitate the employment by the city of a large force of keepers to prevent these animals from making depredations upon improved property.” (Report of the Board of Improvements, *City Documents*, 1876, p. 87.)

<sup>2</sup> The department of building inspection was created in 1888. Its expenses in 1889 were \$5,264; in 1904, \$8,271. A boiler inspector receives \$1,500 a year. The sealing of weights and measures costs about \$2,500.

<sup>3</sup> In the following pages “Group I, Group II, etc.,” will have reference to this arrangement.

Group I, her expenditures under this head averaged in the period 1901-1905 but \$2.91, or \$0.15 lower than the average for Group II.

Reference to the diagram <sup>1</sup> will show that the largest relative growth of expenditures occurred before 1875. Beginning in 1846-50 at \$0.20 for each person in the city, \$2.59 was reached in 1871-75. Severe economy effected a noticeable reduction in the following decade. In 1896-1900 almost exactly the level of 1871-75 reappeared, and this, it is noteworthy, is exactly the figure for Group III in 1904. The present tendency is toward a rather rapid increase.

§ 55. *Health Department.* Public expenditures for health protection apparently began in 1832 when an epidemic of "Indian cholera" visited Cleveland and other lake towns. For this emergency a temporary board of health was created. Until 1850 the few dollars treated as expense of the health department were for "removing nuisances," the burial of dead animals, *etc.* From fear of an epidemic of some sort, in 1850 enlarged corporate powers were secured from the Legislature,<sup>2</sup> whereby the Council could establish a board of health with adequate authority, not only to enforce sanitary measures, but to collect costs from owners of property. Accordingly a Board of Health of three members was appointed, clothed with the usual powers and given charge of the hospitals.<sup>3</sup> Apparently little was done by this board. An Asiatic cholera scare in 1867 caused a great effort to "clean up." Alleys and gutters used as a place of deposit for garbage and other household waste were "always filthy and offensive," but under the stimulus of the cholera scare they were cleaned in some

<sup>1</sup> *Infra*, Appendix E.

<sup>2</sup> Act of March 7, 1850, 48 O. L. A., 487.

<sup>3</sup> Ordinance of April 18, 1850. *Daily Herald*, April 19, 1850.

quarters of the city "as often as three times a month."<sup>1</sup> Regular expenditures for the health department begin in 1867 with the reorganization of the Board of Health under a general law.<sup>2</sup> Six members were appointed by the Council, the Mayor being *ex-officio* president. An annual report had to be made to the Council, although in matters of expenditure the Board was not subject to it.

Increased expenditure in 1873 and 1874, due to an effort to stamp out smallpox and escape another threatened epidemic of Asiatic cholera, was followed by the abolition of the Board of Health; it was made a part of the police department.<sup>3</sup> Expenditures were greatly reduced, but the change was denounced as an attempt to make political capital of the city's health department.<sup>4</sup> By 1880 the consideration that sanitary measures should be handled by a board having special knowledge and training in sanitary science gained the ascendancy.<sup>5</sup> The General Assembly then re-established the Board of Health, as it existed prior to 1876,<sup>6</sup> making it largely a body of physicians. It was now once more independent of the city's finance officers, the Council having only the power of approving its contracts. Though the Federal Plan again nominally subordinated the health department to the police department, the independence and efficiency of the Board was not impaired. The Code of 1902 created a separate Department of Public Health.

Expenses of general administration in 1905 amounted to

<sup>1</sup> Report of Health Officer, *City Documents*, 1867, p. 73.

<sup>2</sup> Act passed March 29, 1867, 64 O. L., 76.

<sup>3</sup> 73 O. L., 47.

<sup>4</sup> *City Documents*, 1876, p. 41.

<sup>5</sup> *Council Proceedings*, March 1, 1880.

<sup>6</sup> Act of March 29, 1880, 77 O. L., 89.

\$15,288; \$14,923 were used for "medical services" and medical supplies. The largest item was \$27,466,—the pay-roll of the regular sanitary police. Inspection of food products and plumbing received \$22,940. Including the pension pay-roll, the total health department expenditures in 1905 were \$87,691; for 1907 the revised estimate was \$144,550. Extraordinarily heavy expenses in 1901 and 1902 were caused by an outbreak of smallpox.

Sanitary police were first authorized in 1886,<sup>1</sup> the number being limited to one for each fifteen thousand inhabitants and their salary to \$780. The total number employed in 1904 was twenty-four. Following the example of the police and fire departments, a sanitary pension fund for Cleveland was established in 1896.<sup>2</sup> This law was superseded by the general act of 1902,<sup>3</sup> providing for fire, police and sanitary pension funds. Income accrues from a general tax limited to one-thirtieth of a mill, fines imposed on members of the force, penalties for violations of laws and ordinances the enforcement of which is entrusted to the health department, fees and licenses collected, gifts and voluntary assessments. The latter are unused in the sanitary fund, although for the fire and police funds assessments are paid by members. Formerly a part of the tax on foreign insurance companies was credited to this fund.<sup>4</sup>

§ 56. *Sewers.* Cleveland's sewer system dates from 1860. With the installation of a water-works a general system became necessary. Not being able to find in the statutes any authority for raising the funds to construct sewers, the Council appealed to the Legislature and secured a law per-

<sup>1</sup> Act passed April 30, 1886, 83 O. L., 115.

<sup>2</sup> Act passed April 27, 1896, 92 O. L., 704.

<sup>3</sup> Act passed April 23, 1902, 95 O. L., 223.

<sup>4</sup> R. S., § 1945-2.

mitting their construction by special assessment.<sup>1</sup> By this act authority was granted to borrow money for the construction of main sewers and to divide the city into as many as six sewer districts in which taxes could be levied independently, for each according to its needs. The law also authorized special assessments by the front foot method, on the principle of benefits, or according to the value of the property on the tax list. For the construction of main sewers five districts were defined in 1860.<sup>2</sup> From time to time the boundaries of the original districts have been amended and new ones added, so that at present they number twenty-six. Sewer district levies were abolished by the Code of 1902, although the Sinking Fund Commission has power to make levies to pay the principal and interest of bonds already issued in these districts. After these obligations mature and are paid, all main sewers will be constructed by uniform levies on all the property of the city. Taxes levied in the various districts in 1905 to meet the expenditures of 1906 varied from nothing at all in four districts to \$10 per \$1000 in one, the total amount levied being \$305,076.

By 1867 nearly fourteen miles of sewers had been constructed; in 1873 it reached fifty-one miles; and in 1903 the total length was 349 miles. As early as 1875 it became apparent that a system of main and branch sewers, however complete in itself, did not solve the sanitary problem by merely collecting and dumping the sewage into lake and river. The problem of sewage disposal seemed to require a more thorough consideration than the City Engineer, burdened with other work, could give to it. Accordingly a River and Sewer Commission was appointed to make full

<sup>1</sup> Act passed March 22, 1860, 57 O. L., 185.

<sup>2</sup> Ordinance of May 22, 1860.

investigations, and report to the Council a plan of sewage disposal, with estimates of the probable cost.<sup>1</sup> Because no appropriation had been made to meet its expenses the Commission did nothing, and no further action was taken until 1895, when a commission of experts was appointed<sup>2</sup> to investigate the sewage and water systems and report, among other things, comprehensive plans for sewage disposal. In due time this commission reported, recommending the construction of an intercepting sewer. A Citizens' Committee of prominent business men, appointed by the Mayor to consider important public improvements projected, concurred in the report of the commission of experts. The "interceptor" was therefore undertaken and has been the cause of a large part of the outlays for sewer construction since 1900. An "Intercepting Sewer Fund" is maintained by the issuing of bonds.<sup>3</sup>

Since 1894 sewers are charged with an annual expense for maintenance. Previous to that time published reports do not permit a separation of outlays from expenses for repairs, cleaning, *etc.* Outlays for sewers, as for other improvements, vary considerably from year to year. Comparable statistics relating to other cities are not available for a series of years. The following table will show what Cleveland is now spending in comparison with other municipalities.

<sup>1</sup> *Proceedings of the Board of Councilmen*, August 15, 1887; November 14, 1887.

<sup>2</sup> Ordinance passed June 24, 1895.

<sup>3</sup> In 1900 the Chief Engineer reported that, "owing to the inability of the city to provide funds for its construction, no work upon the main line of the intercepting sewer has been done during the past season" (*Annual Reports*, 1900, p. 513).

*Total Expenditures for Sewers, 1904.*

New York.....	\$2,816,044	San Francisco.....	\$77,705
Chicago.....	1,708,304	Pittsburg.....	118,468
Philadelphia.....	743,610	Cincinnati.....	319,864
St. Louis.....	463,643	Detroit.....	183,445
Boston.....	1,824,463	Milwaukee.....	236,157
Baltimore.....	52,855	New Orleans.....	1,595,269
Cleveland.....	1,099,689	Washington.....	956,020
Buffalo.....	137,550	Newark.....	268,137

Both house and curb connections for sewer and water are made and repaired at the expense of the property-owner, under the supervision of the Engineer, as a special department of the Board of Public Service.

§ 57. *Street Cleaning.* Modern sanitary science insists on clean streets as a necessity of prime importance. Other valid reasons for public expenditures for the purpose can be adduced, but sanitary reasons predominate sufficiently to allow them to be classified under this heading. As early as the middle of the century Cleveland recognized some relation between the condition of the streets and the health of the community. "The City Council," said the Mayor, in 1852, "has heretofore adopted the plan of having the streets thoroughly cleaned on the opening of each new year, and the great benefit arising from this policy is evidenced in the general good health of the citizens during the summer months."<sup>1</sup> Expenditures for street cleaning began to be a regular item in the budget in 1878.

The chief problem in administration has centered in the merits of the contract system versus direct municipal management. To meet changing ideas on this point the Legislature has been called upon now to enact and now to repeal the authority for each method. The Board of Improvements in 1877 was required to divide the city into districts

<sup>1</sup> *Daily Herald*, April 19, 1852.

and let contracts in each for cleaning the streets.<sup>1</sup> Within the next ten years the contract system was abolished twice, at least, and the direct system adopted.<sup>2</sup> Under the Federal Plan a system of contract at a given price per mile each time cleaned was followed, with satisfactory results for a time.<sup>3</sup> Improvement was introduced in 1895 by substituting in contracts the "square" of 10,000 square feet for the linear mile. Investigation of alleged abuses of the contract system in 1898 called from the Director of Public Works figures to show that between 1891 and 1898 the number of miles of paved streets cleaned each year had increased between three and fourfold, and that the cost per mile had been reduced more than one-half;<sup>4</sup> but dissatisfaction with the system continued. The new Code authorizes both the contract and direct systems.<sup>5</sup> In 1903 the cleaning of paved streets was taken from the street department and organized as a sub-department.

Technical changes in the process of cleaning have probably had less influence on the cost than organization and business-like methods. In 1879 all work was done by hand. The adoption of sweeping machines in 1883 added to the cost of the work.<sup>6</sup> Although the system of flushing, now being tried on a large scale, is apparently more expensive than sweeping, any increase in the cost is believed to be offset by the superior sanitary and general results.<sup>7</sup>

Beginning in 1899 constant complaint has been made that

<sup>1</sup> Act of April 21, 1877, 74 O. L., 103.

<sup>2</sup> 79 O. L., 76; 84 O. L., 67.

<sup>3</sup> Report of the Director of Public Works, *Annual Reports*, 1895, p. 267.

<sup>4</sup> *Council Proceedings*, November 28, 1898.

<sup>5</sup> § 65.

<sup>6</sup> *Annual Reports*, 1883, p. xvi.

<sup>7</sup> *Council Proceedings*, November 20, 1905.



the department is hampered in its work by a lack of funds. "This city has not in the past," it was asserted, "and will not in the immediate future, allow a sufficient sum of money to properly clean its streets."<sup>1</sup> A comparison with other cities for 1903 and 1904 would tend to show that Cleveland now spends more than many other municipalities. The following table is based on statistics taken from *Bulletins* 20 and 50, and represents only expenditures for sweeping or flushing paved streets. Comparison is therefore made with the area of paved streets within the city.<sup>2</sup> However, with the cost per given area the kind of pavement to be cleaned should be specified. The facility with which different paving materials may be swept or flushed varies

<sup>1</sup> Report of the Director of Public Works, *Annual Reports*, 1899, p. 264; 1900, p. 272. This complaint was doubtless well founded. In 1901 a trifle over \$50,000 was paid out for the cleaning of paved streets, but that amount was more than doubled the next year, and in 1905 had increased almost fourfold.

<sup>2</sup> The Director of Public Works in 1899 concluded, on a basis of population, that other cities were spending far more for street cleaning than Cleveland. This, to say the least, is a very crude method—so crude as to be positively erroneous. A report of the Municipal Sanitation Committee of the Cleveland Chamber of Commerce, on Street Cleaning, adopted November 15, 1904, strongly recommended cleaning by flushing, and found that "the sum of money appropriated for the purpose is insufficient to provide for the proper cleaning of the streets" (p. 10). The statistics offered by the Committee are most inaccurate and misleading. Taking eleven of the fifteen largest cities of the United States, it was found "that Cleveland, both in proportion to her population and mileage, has the smallest appropriation" of any one of them. Population has little relation to the cost of cleaning paved streets; mileage is a better basis; but in the report of the Committee, Cleveland's 350 miles of unpaved streets are added to her 225 miles of paved streets, whereas for all other cities only miles of paved streets are used in the calculations. The table below, based on the area of paved streets in 1903 and expenditures in 1903 and 1904 (*Bulletins* 20 and 50), gives a very different result, although it does prove that certain other cities spend larger amounts than Cleveland.

greatly. It would obviously not be fair to compare the expense in Cleveland, where there are no cobblestone pavements at all, with that in Baltimore, which had in 1903 373 miles of cobblestone out of a total of 491 miles.

*Average Amount Expended per Square Yard for Cleaning of Paved Streets.*

	1903.	1904.		1903.	1904.
New York.....	\$0.174	\$0.181	Pittsburg.....	\$0.057	\$0.073
Chicago.....	.009	.010	Cincinnati.....	.036	.037
Philadelphia.....	.037	.054	Detroit.....	.027	.030
St. Louis.....	.048	.064	Milwaukee.....	.013	.014
Boston.....	.051	.056	Washington.....	.036	.036
Baltimore.....	.029	.032	Columbus.....	.018	.006
Cleveland.....	.032	.035	Dayton.....	.004	.012
Buffalo.....	.021	.020	Toledo.....	.037	.015
San Francisco.....	.041	.042			

§ 58. *Night Soil.* The removal of night soil from premises not possessing sewer connections was supervised by the Health Department until 1903. Previously to 1873 garbage and night soil were not removed beyond the city limits. The method adopted about this time was to load it in scows, tow it out into the lake and dump it to the east and north of the city. Until 1891 fees for removal were collected by the health board, but not paid into the city treasury.<sup>1</sup> Contracts were also let and contractors paid without check or supervision. In 1891,<sup>2</sup> as a result of investigations revealing irregularities in the letting of contracts, the Council passed an ordinance requiring money received for removal of night soil to be paid into the city treasury and to constitute the "night soil fund." Pay-

<sup>1</sup> Statistics of receipts and disbursements prior to 1891 are derived from the reports of the Board of Health. Before 1880, and from 1880 to 1886, inclusive, the data are wanting even in the health report.

<sup>2</sup> Ordinance of November 9, 1891.

ments to contractors were to be made on estimate of the director of police.

The practical disappearance of unsewered streets, except in annexed villages and remote districts within the city limits, gradually increased the cost of collection. Contracts at \$1.90 a cubic yard expired in 1903 and a rate of \$2.50 was demanded for a renewal. The city, therefore, purchased the equipment and assumed the work. Without charging more than the former contract price the department showed net earnings of \$854 in 1904.

§ 59. *Garbage Collection and Disposal.* The problem of collecting and disposing of garbage has only within the last few years been put in the way of solution. Removal and destruction were largely left to each household until after 1875. Originally the city paid a certain definite sum each year for removing "garbage and swill," but the plan was a "failure and a swindle."<sup>1</sup> In 1885 the method was changed and contracts by the cubic yard were let to the lowest bidders. Still the old difficulty of securing prompt and regular service was not removed, especially where distances were great and quantities small. Agitation was begun in 1887 for a general system of collection to be maintained at the expense of the city,<sup>2</sup> but a more sanitary method of disposal was also necessary. From 1892 to 1897 this question was uppermost. The situation in 1895 was concisely stated by Judge Wing in a letter to the Council:<sup>3</sup>

It is a matter of common knowledge that at present whatever garbage is collected, is collected by licensed scavengers who make their visits irregularly and infrequently, and who

<sup>1</sup> *Annual Reports*, 1884, p. xx.

<sup>2</sup> *Proceedings of the Board of Councilmen*, June 20, 1887.

<sup>3</sup> *Council Proceedings*, August 12, 1895.

make no other disposition of the garbage collected than that which very little, if any, diminishes its unsanitary effect upon the community. Garbage is either removed from one portion of the city and dropped in another, or it is dropped into the lake to assist in polluting the waters which at so great expense are to be pumped back to be used in the households.

In the condemnation of existing methods the Citizens' Committee joined and urged the adoption of a "proper and modern" system for the collection and disposal of garbage. Systems in use in various large cities were investigated, and finally in 1898 a five years' contract was made with a private company for collection, removal and destruction of kitchen garbage and dead animals. Under the terms fixed upon, the city paid \$69,400 per year, and retained the option of purchasing the plant at the expiration of the contract in 1903. The agreement was subsequently extended until the spring of 1905, when the company refused to renew its contract at what was regarded as a reasonable price. Bonds for \$155,000 were therefore sold and the land and plant purchased by the city at a cost of \$87,500. The income of the plant from sale of by-products in 1905 was over \$60,000. With an increase of twenty-three per cent over 1904 in the amount of garbage collected and reduced, the plant was operated in 1905 at a cost to taxpayers of \$2,846 less than was paid by the city each year under the contract system.<sup>1</sup>

The total expenditure for health conservation and sanitation is now very much greater in proportion to population than ever before in the history of the city. Prior to 1860 it was inappreciable. In the years 1861-1865 per capita expenditure was but \$0.21, in the next quinquennial period

<sup>1</sup> *Annual Report of the Board of Public Service, 1905, p. 76.*

\$1.17, then \$1.49, but it fell greatly in the decade 1875-1885. Beginning with \$1.02 in 1886-1890, it rose to \$1.29, \$1.98, and in the five-year period just closed an average per capita expenditure of \$3.54 was reached. Compared with other cities this is extremely high. The per capita expenditure for 1904 in Group I is \$2.70; Group II, \$1.97; Group III, \$1.67; and Group IV, \$1.39. The largest item under this general class of expenditure is, of course, outlay for sewers. Cleveland for the last half-decade has spent large sums on the intercepting sewers, but with the completion of this work, expenditures will undoubtedly fall back to the level of those in Group I, possibly of Group II.

§60. *Highways.* The attempt to separate the cost of general administration from other expenditures for highways has succeeded with a fair degree of accuracy only since 1894. From 1837 to 1875 the results are unsatisfactory. Small amounts or nothing at all in many years indicates the imperfection of accessible data. The cost of administration, however, did fluctuate greatly from one period to another.<sup>1</sup> Under this head are included the salaries of the chief engineer and his assistants,<sup>2</sup> together with instruments and general office expenses; the salary of street superintendent and his office expenses are also included.

General street expenditures include the expense of repairing streets, the cleaning of catch-basins, and all work on unpaved streets. Outlays of a general character are for the improvement of street intersections, which the city itself is required to bear, and for grading, curbing and cross

<sup>1</sup> In 1876 or 1877 twenty-five assistants and clerks were employed in the city Civil Engineer's office; in 1881 there were only six men so employed. (*Council Proceedings*, March 28, 1881.)

<sup>2</sup> Engineering expenses which can be accurately assigned to any particular permanent improvement are included in outlays under the proper head.

walks. Labor and materials for private work have in the last few years been quite a large item, although as the city is reimbursed for this it is, in a sense, not actually a part of the municipal outlay. In general, it may be said that expenditures described as "general street expenditures" consist of all money spent in any way for construction and maintenance of streets, excluding, first, the cleaning of paved streets which is treated as a sanitary function; secondly, general administration as far as possible; thirdly, paving, although prior to 1881 this cannot be separated successfully in most years; fourthly, sidewalks, which are primarily constructed by property-owners.

The frequent changes back and forth from the contract system to the direct method have been noted in connection with the cleaning of streets,—one part of the work of the street department. The management of the street fund prevailing before 1875 is characterized as "defective and wasteful."<sup>1</sup> At that time it was committed to the Board of Improvements, the street commissioner being allowed to make expenditures only on its authority. In 1876 the street department was the only one which did not reduce its expenditures to its revenues. The day labor system and political manipulation were blamed and the change to a contract system effected.<sup>2</sup> The extravagance of street and other expenditures, indulged in so freely from 1870 to 1880, is well illustrated in the amount of land acquired by expropriation. In 1872<sup>3</sup> the law was changed so as to allow the cost of street opening and widening to be paid by special assessments on property benefited. The following table

<sup>1</sup> *City Documents*, 1876, pp. 27, 265-6.

<sup>2</sup> *Supra*, p. 145.

<sup>3</sup> Act of March 29, 1872, 69 O. L., 59.

indicates the amount paid for land appropriated for street and other purposes from 1872 to 1879:

<i>Year.</i>	<i>Amount paid for land appropriated.</i>
1872.....	\$742,872
1873.....	741,145
1874.....	247,426
1875.....	169,712
1876.....	58,800
1877.....	318,186 <sup>1</sup>
1878.....	5,360 <sup>2</sup>
1879.....	200

For much of the land purchased to open new streets highly speculative prices were paid. When the real-estate bubble collapsed, property was unable to pay the special assessments.

The statistics show that per capita expenditures for highways for 1901-1905 are exactly ten times what they were in 1846-1850. In the rapidly ascending curve <sup>3</sup> the first prominence occurs for the period 1851-1855. The union of Ohio City and Cleveland needs only to be suggested to account for a measure of the increase. Another cause is revealed in Mayor Castle's words in 1855. "During a few years of almost unexampled prosperity the community with a generous liberality has voted to commence a system of general improvement and advancement." <sup>4</sup> "A general revulsion," he continues, "in almost every ramification of business affairs" demanded the suspension of all extraordinary expenditures. The largest expenditure on high-

<sup>1</sup> For lands purchased on the east side of the river for construction of the Viaduct.

<sup>2</sup> \$600 for bridge purposes, the balance for schools.

<sup>3</sup> Cf. diagram, Appendix E.

<sup>4</sup> *Daily Herald*, April 9, 1855.

ways in proportion to population in the history of the city is found in 1871-1875. The causes of this condition will be made sufficiently clear in the succeeding sections. The average per capita expenditure for 1901-1905, including outlays and expenses, is \$3.91, which is about midway between the average of Group III and Group IV, as indicated by the following table:

*Per Capita Expenditure for Highways, 1904.*

	<i>Outlays.</i>	<i>Expenses.</i>	<i>Total.</i>
Group I.....	\$3.56	\$1.59	\$5.15
Group II.....	2.76	1.92	4.68
Group III.....	2.61	1.77	4.38
Group IV.....	1.75	1.64	3.39
Cleveland.....	2.09	1.64	3.73

§ 61. *Paving.* Paving forms by far the most important item in the expenditures for highways. Aside from the "planking" of a few prominent business streets, no pavements were laid until about 1860. In urging the paving of business streets the Mayor remarked in 1859 that in the construction of the one hundred miles of streets within the corporate limits "little more has been required . . . than for any similar extent of road in the country."<sup>1</sup> The Civil War by raising the price of labor and materials interfered with the prosecution of this work. Nevertheless, by 1874 the city had forty-two miles of paved streets, paid for almost wholly by special assessments. In the fifteen years from 1874 until 1889 only twenty-four miles of new pavement were laid. A large part of the forty odd miles put down before 1876 had to be relaid in this period. Paving was begun in 1859 with Medina stone, but from 1866 to 1876 a great deal of wood pavement was laid; experiments were also made with concrete. By 1880 it was amply de-

<sup>1</sup> *City Documents*, 1859, pp. 6-7.



monstrated that stone was the only economical material that had been used. The Board of Improvements confessed that "We have had a bitter experience in the use of paving materials in the past, and all those streets that have been paved other than with stone must soon be repaved."<sup>1</sup> Many pavements were in a very bad condition and the cost of repairs was enormously increased. Fearing that a second assessment would be made for repaving, interested property holders secured the passage of a law<sup>2</sup> providing that in Cleveland when the original paving had been paid for by abutting property owners, from the entire cost of repaving should be deducted the share to be borne by the street railway companies and the remainder divided equally between the property owners and the city. The Council Committees on Finance and Legislation disapproved the bill, declaring that such authority was not sought. It became law nevertheless, and for several years the city's half of replacing worn-out pavements was paid from the Sinking Fund of 1862.<sup>3</sup>

The second period of greatest activity in street paving began in 1890, when a special committee of the Council was appointed to investigate the practice of Eastern cities as to materials used, and methods of meeting the expense. After visiting most of the important cities of the East the committee reported that they were all ahead of Cleveland in the mileage of paved streets, adding that "the few streets paved and the abundance of dirt and mud in the streets of our city are indeed a disgrace." Medina stone, which had been in use in Cleveland thirty years and in Buffalo fifty years, was the material recommended.<sup>4</sup> This report started

<sup>1</sup> *City Documents*, 1881, p. 228.

<sup>2</sup> Act of April 15, 1882, 79 O. L., 97.

<sup>3</sup> *Infra*, § 95.

<sup>4</sup> *Proceedings of the City Council*, February 10, 1890.

the machinery of legislation for paving a large number of streets. Expenditures in 1893 exceeded \$800,000, but were not equalled in any following year until 1905. Material used at this time was Medina stone; practically nothing else had been laid since 1876. Dressed stone block with bituminous cement filling came into use in 1879. In 1887 and 1888 a small amount of brick pavement was put down for private parties, but its durability was seriously questioned for any but the lightest traffic. Asphalt was not tried until after 1890. Paving of all kinds in 1897 aggregated 136 miles. On January 1, 1906, it had reached 284<sup>1</sup> miles, 23 being of asphalt, 92 of Medina stone, 168 of brick. A little over one mile of wood is laid on bridges and viaducts.

The construction and repair of sidewalks have always been attended to by property owners when required by the Council. Only after the property holder has been notified to lay sidewalks and fails to do so within a given time is a special assessment levied and the work done by the city.

§ 62. *Street Lighting.* Street lighting has from the first been a large item of expense to the city. Until 1850 oil lamps were used exclusively. In that year artificial gas was introduced, the Cleveland Gas Light and Coke Company having been incorporated in 1846 and a franchise granted by the Council in 1848. The original franchise permitted a maximum rate of \$3.00 to private consumers, which, it was claimed, would reduce the cost of light fifty per cent. For public use the price was not to exceed that paid in Buffalo or Cincinnati, which at that time was \$1.50. The cost of public lamps was estimated at \$20 a year,<sup>2</sup> but gas for street lighting could be used only where it was

<sup>1</sup> Including streets of suburbs recently annexed.

<sup>2</sup> *Daily Herald*, March 20, 1849; March 18, 1850.

demand for private consumption. In 1879, out of 4,649 street lamps, 1,134 were for coal oil. In the period of expansion, beginning about 1870, expenditures increased rapidly. "Lighting the city," declared the Mayor in 1876, "has become a luxury of startling magnitude,"<sup>1</sup> and he proceeded to recommend that abutting property should pay for gas used, by special assessment. The Council in 1888 reduced the price which companies could charge for public and private lighting from \$1.25 per thousand feet to \$1, and although the companies resisted, the courts sustained the city. In 1892 the Council again sought to exercise its power to reduce rates. The case was stubbornly contested through the state and Federal courts. Once more the city won and the price was reduced to \$0.80, the companies in addition being required to pay into the city treasury semi-annually six and one-half per cent of their gross receipts.<sup>2</sup> Under these terms a ten years' contract was entered into. An ordinance in 1900 renewed the contract for another ten-year period, the price being fixed at \$0.75 and the companies agreeing to furnish all lighting equipment, the city paying only for gas consumed.<sup>3</sup>

Until about 1900 the bulk of lighting expenses was for gas. Electricity has now taken first place. Although electric lighting originated in Cleveland and was first used there in 1879, other municipalities outstripped the home city in making extensive use of it. As late as 1894, when Cleveland had but 251 electric lamps, Cincinnati had 3000, Buffalo nearly 2000, and every important city in Ohio and neighboring states made a far greater use of electricity than did Cleveland. A similar condition still prevails.<sup>4</sup>

<sup>1</sup> *City Documents*, 1876, p. 41.

<sup>2</sup> Lighting and care of gas street-lamps were now taken from the gas companies and transferred to a separate company.

<sup>3</sup> *Annual Reports*, 1900, p. 526.

<sup>4</sup> *Bulletin* 20, p. 106.

The entering wedge of municipal lighting has recently appeared. In 1903 the city took over the management of gas lamps. Private companies were paid \$16.10 per lamp; the gas cost \$6.46, making a total of \$22.56 per lamp. With municipal management this was reduced to \$17.38; and in 1904 each gas lamp cost the city \$15.05. Vapor lighting was taken out of the hands of the private company in 1905. In 1903 the cost had been \$22.37 per lamp, and slightly more in 1904. It is claimed that a saving of \$6 per lamp can be made by municipal management.<sup>1</sup>

An unsuccessful attempt was made in 1903 to erect a municipal electric light and power works. By annexation of the village of South Brooklyn in 1905 the city acquired a small electric lighting plant, the capacity of which has since been trebled. Other suburbs that may soon be annexed have small electric plants. The policy of the present administration seems to be to use these small plants as competitors of the private company and perhaps to bring about ultimately full municipal ownership of all electric lighting.

The per capita cost of street lighting has shown little tendency to increase. In the period 1871-75 expenditure was \$0.88 for each inhabitant. From this figure it decreased in the next two five-year periods to \$0.72 and then to \$0.54, which is the lowest point reached. In 1886-90 it rose to \$0.60, the following period to \$0.67, then fell to \$0.64 in 1896-1900 and for 1901-05 was \$0.63. Expenditure for lighting shows in the census groups a phenomenon different from any yet observed. In Group I the per capita expense is \$0.54, which is lower than for any other group. Group II is the highest, being \$0.82; Group III is \$0.71 and Group IV \$0.66. The lack of uniformity suggests—

<sup>1</sup> *Annual Report of the Department of Public Service*, 1905, p. 70.

that which is obvious enough—that there is no necessary relation between population and the cost of street lighting. The area of the city, or the total length of streets, would seem to have a more logical connection with this branch of expenditure. Data not being available for comparing length of streets and expenditures in 1904, we take area and find that the cost per acre progresses regularly from the smaller to the larger cities. In Group I the cost is \$8.21; Group II, \$7.65; Group III, \$5.36, and Group IV, \$4.01. The cost per acre of territory in Cleveland for 1904 was \$11.82, or forty-seven per cent greater than the average for the fourteen largest cities of the country.

§ 63. *River and Harbor.* The Cuyahoga river and its tributary streams are subject to freshets which bring down to the lower course and deposit great quantities of sand and other detritus. Constant expenditure is necessary to keep the channel open for the passage of lake vessels. Soon after the village was incorporated the idea was conceived of constructing piers or jetties out into the lake on each side of the river, so as to confine the current to a narrow channel and force it to carry the material out into the lake, but both private enterprise and the village authorities failed to accomplish anything. The Federal government was then appealed to and in 1825 made an appropriation of \$5,000 for the same purpose; Federal appropriations for dredging and improving the mouth of the river followed at short intervals until 1852, when the appropriations aggregated over \$184,000.

No more Federal aid was forthcoming until 1864. In the meantime the city, left to its own resources, adopted the plan of special taxes and assessments. Special assessments had been authorized in 1854<sup>1</sup> to improve waterways for

<sup>1</sup> Act of April 29, 1854, 52 O. L., 68.

commercial purposes. The immediate use made of the power was for the so-called Ship Channel Improvement to relieve the "encumbered harbor."<sup>1</sup> In 1863 the Council resolved to use this right to make assessments for dredging the river to a depth of thirteen feet, one-third of the cost to be paid from the general fund and two-thirds to be assessed upon abutting property;<sup>2</sup> later the proportion was changed to one-half from each source. Special stimulus to the work of keeping the river clear was given in 1874 and 1875 by a conviction that efforts were being made to divert from Cleveland her "immense coal and iron ore trade."<sup>3</sup> Greatly increased expenditures followed for a few years.

The work of dredging was done by contract. Investigation conducted by a council committee in 1882 showed that it was "very loosely and carelessly done, and to the great detriment of the interests of the city," and a minority report declared it to be "conclusively evident that collusion has for several years existed between the dredging contractors."<sup>4</sup> The remedy proposed was for the city to own and operate its own dredges, and an unsuccessful attempt was made to secure the requisite authority from the Legislature.<sup>5</sup>

The burden of special assessments on river-front property, the owners of which had long complained of the injustice of the tax, was increased from year to year by the increasing draught of lake vessels. In 1873 the average tonnage of vessels was 700 to 900; ten years later it had almost doubled, and it continued to increase rapidly. As an offset, however, to the greater depth of channel required,

<sup>1</sup> *City Documents*, 1856, p. 9.      <sup>2</sup> *The Daily Herald*, April 29, 1863.

<sup>3</sup> *City Documents*, 1874, p. xxvii; 1875, p. xxv.

<sup>4</sup> *Council Proceedings*, June 12, 1882.

<sup>5</sup> *Ibid.*, February 18, 1884.

the contract price per cubic yard of material removed was reduced from \$0.29 $\frac{3}{4}$  in 1884 to \$0.15 in 1890. Some ground doubtless existed for the statement of the City Civil Engineer that in "no other class of work contracted for by the city . . . had there been so much lack of system and such an inadequate return for the investment as the dredging of the Cuyahoga river."<sup>1</sup>

In addition to the annual expense for dredging, large outlays have been made for what may be called permanent improvements. Expenditures for the Ship Channel Improvement in 1856-1859 we have noted above; in 1874 to 1877 the terminus of the Ohio Canal was moved in order to enlarge the facilities for commerce in the river. Authority was secured in 1896 to issue half a million dollars in bonds for widening and straightening the river.<sup>2</sup> Outlays for land and the work of improvement are still being made.

While the city has been maintaining and improving the river facilities, the Federal government has been engaged in creating an outer harbor. A breakwater begun in 1875 and completed in 1884, together with an extension begun in 1888, gave a total of two miles and a quarter of protected shore line. Work now under way at a cost of four and one-half millions will protect more than three miles of lake front. The total expenditures of the Federal government on the harbor at Cleveland from 1825 to 1902 amount to about \$2,750,000.

The fact that other Lake Erie ports have been making rapid gains on Cleveland is attributed solely to her lack of harbor facilities. An outer harbor, now made possible by the government breakwater, is the only remedy, and a complete system of harbor improvement and wharf construction

<sup>1</sup> *Annual Reports*, 1887, p. 397.

<sup>2</sup> Act passed April 24, 1896, 92 O. L., 630.

has been outlined by the United States Engineer. The property created by carrying out his scheme would have a value, it is estimated, of \$35,000,000, and would produce an annual income of \$1,750,000,—sufficient to meet the expense of maintenance and create a sinking fund to extinguish the debt in thirty-five to fifty years. It is not necessary to undertake the whole of the improvement at once. The city, however, should proceed immediately to acquire the necessary property rights for the completed harbor, and then construct docks as rapidly as the demand for them will warrant.

§ 64. *Bridges and Viaducts.* Cleveland is separated into two parts by a deep and narrow valley through which flows a navigable river. The consequence is that ever since the territory on either side of the river was united into one city, in 1854, constant and large expenditure has been necessary for bridges; and both outlays and expenses of maintenance have been increased from the fact that many draw-bridges have been necessary. In 1873 thirteen draw-bridges spanned the river within the city; at present about fifty bridges are maintained, ten or twelve of them being draws. Only four cities in the United States,—New York, Chicago, Philadelphia, and Boston,—spend as much as Cleveland does for the maintenance of bridges other than toll.<sup>1</sup>

The most important structure so far erected is the “Superior Viaduct.” Construction of a “high level” bridge across the Cuyahoga valley, for many years a dreamed-of possibility, was definitely proposed in 1870.<sup>2</sup> So great an outlay required special authority from the state, which was secured in 1872<sup>3</sup> and the city permitted to issue \$1,100,000

<sup>1</sup> *Bulletin* 50, p. 85.

<sup>2</sup> *City Documents*, 1870, pp. 14, 64.

<sup>3</sup> Act passed April 27, 1872, 69 O. L., 138.



of bonds; but as the work progressed the original amount became quite inadequate and authority to issue \$1,600,000 more was obtained.<sup>1</sup> The total cost of the completed structure was \$2,164,578, the necessary land having cost in addition \$522,880. A supplemental viaduct act in 1878<sup>2</sup> provided for submitting to the people the question as to whether toll should be charged; an election was held and the people voted in favor of collecting toll. The Council, however, refused to take the necessary action and the redemption of bonds was thrown upon the general tax duplicate. Although viaduct bonds are still outstanding, the bridge has become inadequate and must soon be replaced or rebuilt at great expense.<sup>3</sup> The hope of Mayor Otis, expressed when the undertaking was begun in 1874, falls thus far short of realization. "The Council," said he, "should see that the structure is of such size and build as to afford safe and convenient transit across the valley for the next century."<sup>4</sup>

Only one other structure requires special mention in this connection. Next in importance to the Superior Viaduct was the Central Viaduct or Elevated Roadway, authorized by the Legislature in 1883,<sup>5</sup> begun in 1886, and opened in 1888. Its total cost was about a million dollars. This structure, like the Superior Viaduct, already requires rebuilding at an outlay almost equal to its original cost.

It seems quite probable that bridges costing from five to ten millions will be required in the near future, if the necessary funds can in any way be secured.

<sup>1</sup> Act passed April 6, 1876, 73 O. L., 107.

<sup>2</sup> Act passed April 6, 1878, 75 O. L., 523.

<sup>3</sup> A proposition to issue \$1,300,000 bonds for this purpose was defeated at the polls in a special bond election held October 9, 1906.

<sup>4</sup> *City Documents*, 1874, p. xix.

<sup>5</sup> Act of April 17, 1883, 80 O. L., 159.

§ 65. *Abolition of Grade Crossings.* An object of expenditure new to Cleveland, but certain to require great outlay for many years, is the abolition of the grade crossings of steam railroads. The Council in 1898 took steps to have a grade crossing commission appointed. Two years later the Chamber of Commerce renewed the suggestion with the result that the commission was appointed and \$10,000 appropriated to meet the cost of preparing plans and estimates. The difficulty of making satisfactory terms with the railroads was removed in 1902,<sup>1</sup> through an act of the Legislature by which the city, when the Council deems it necessary, may compel the companies to make the improvement. Half of the cost is then borne by the city and half by the railroads. The law also gives the municipality power to issue bonds and levy a tax in addition to all other authorized levies to pay principal and interest, as well as for maintenance and repair after the improvement is completed.

§ 66. *The Infirmary Department.* Oldest among Cleveland's charitable institutions is the Infirmary. As now organized the Infirmary Department of the Division of Charities and Correction embraces the city hospital, the tuberculosis sanatorium, and the out-door relief department, in addition to the home for aged and dependent poor, or the Infirmary proper. Until recently there was also an insane department; but in 1905 over one hundred insane patients were transferred to the state institutions. A pesthouse and detention hospital were several years ago transferred from the department of charities and correction to the health department.<sup>2</sup> Amounts reported under this head prior to 1850 were dispensed to the poor and needy in a more or less irregular fashion. For some time after the

<sup>1</sup> Act of May 2, 1902, 95 O. L., 356.

<sup>2</sup> Under the requirements of the new Municipal Code the Detention Hospital was maintained in 1904 by the Infirmary Department.

city charter was obtained it was a controverted point as to whether the Council had a right to levy a tax for the support of the poor, the township authorities having previously been charged with that duty.<sup>1</sup> In 1849 an act was passed by the Legislature<sup>2</sup> authorizing the city of Cleveland to establish a poorhouse and hospital; a farm was purchased in the spring of 1852 and an infirmary building completed in 1856. At this time it was the intention to place in the institution all who became a public charge and to discontinue out-door relief, but the purpose was far from being realized. In the winter of 1858-59 business stagnation resulted in much unemployment and out-door relief was afforded to more than 1800 different persons. Though it was still held by the city authorities that more evil than good resulted from such expenditure,<sup>3</sup> the practice has never been abandoned. Expenditures for out-door relief supplies were, however, usually kept distinct in the accounts of the Infirmary Directors and the separation is maintained in this study. It will be seen that great variations occur from year to year. While in the Infirmary expenditures were kept at a very low figure, out-door relief expenses showed a constant tendency to swell beyond the regular income. When expenditures became so high as to call attention to the department, reduction was effected by the more adequate investigation of cases and stricter enforcement of rules requiring all able-bodied men to work for the provisions furnished them. In 1878 about two-thirds of such applicants refused to work, the expenditure for out-door relief being \$32,356 in that year, as compared with \$60,127 in 1875.

<sup>1</sup> *Cleveland Herald and Gazette*, June 7, 1838.

<sup>2</sup> Act of March 13, 1849, 47 O. L., 345.

<sup>3</sup> *City Documents*, 1859, p. 6.

In 1883<sup>1</sup> the Board of Infirmary Directors was made appointive. All the charitable and correctional institutions of the city were by the Federal Plan of government under the Director of Charities. The new Municipal Code incorporates this department with the Board of Public Service.

The care of the incurable insane has been a considerable burden and the cause of prolonged controversy between the city and county authorities; as a result the city now turns these patients over to the state. Cleveland was one of the first cities to establish a separate hospital for the treatment of tubercular cases; the work was begun in 1903. The average number of patients treated in 1905 was eighty-two. The per capita cost of tubercular patients is greater than that of any other class.

§ 67. *Workhouse and House of Correction.* Special provision was originally made in the Infirmary for the accommodation of female and juvenile offenders. For other classes a city prison became a necessity and an institution was desired in which criminals could be made to earn their own keep. This had been done to some extent before 1861 by the street labor of the "chain gang." In the spring of 1867<sup>2</sup> the city was authorized to issue bonds to erect a house of correction, or workhouse; the institution was opened in March, 1871, under the management of a board of workhouse directors.

The house of refuge for the reformation of juvenile offenders, who were originally accommodated in the infirmary building, was transferred to the House of Correction when the latter was completed. For many years afterward efforts were made to remove it to other buildings. The City

<sup>1</sup> Act of March 7, 1883, 80 O. L., 47.

<sup>2</sup> Act of April 13, 1867, 64 O. L., 130.

Farm School, the fruit of this endeavor, did not begin its work until 1902. The work of the two institutions was, however, kept as distinct as possible, although the expenditures were made from a common fund and are therefore not distinguishable in the financial reports.

In the management of the Workhouse, during a large part of its existence, the ideal seems to have been to render it self-sustaining; and in nine years after its establishment this ideal was reached. The law permitted deficiencies in the expense of maintenance and administration to be paid by the Council, a tax being levied for the purpose as a part of the ordinary expenses of the corporation.<sup>1</sup> A statute of 1883 permitted the directors to contract with other towns and counties of the state for the care of their convicts.<sup>2</sup> Board was paid for such prisoners at a rate of \$3.00 to \$1.50 a week, depending on the length of the period, the larger amount being charged for the shorter period, because in so brief a time as thirty or sixty days, little value could be derived from the prisoners' labor.

Receipts and disbursements of the manufacturing department of the Workhouse are classified as of "Institutional Industries." Goods produced had to be adapted to unskilled labor. Brushes and paper boxes were at first turned out by the men, while boys in the refuge department were put to work at chair-seating, under contracts with manufacturers. Experience proved after a few years that brushes of various kinds, especially of the lower grades, produced the most revenue, chiefly because the processes are simple and more quickly learned than in the case of other articles; brushes are now the only commercial product of the institution. In recent years the House of Correction has not been

<sup>1</sup> 66 O. L., 193.

<sup>2</sup> Act passed April 19, 1883, 88 O. L., 220.

self-supporting, receipts from care of prisoners and manufacturing not being equal to expenditures. This is due in part, perhaps, to a shortening of the average length of the prisoner's term of service, but a more fundamental reason is that the ideals of the management have somewhat changed. It is now distinctly understood that the work of correction is primary, the factory being subordinated to this end. In the Infirmary also the authorities claim to have abandoned the traditional method of maintaining the institution as cheaply as possible. To-day the purpose is to better the surroundings of the inmates, to maintain a "healthy, clean, and desirable" place to live.<sup>1</sup> The newer ideals mean greater expense without a corresponding increase in income.

It is apparently only a matter of a few years until all the city's institutions of charity and correction will be removed from their urban environment and established in the country. In 1904 850 acres of land were purchased in Warrensville, ten or eleven miles from the heart of the city, the money for the purchase being derived from the sale of some thirty-eight acres of the old Infirmary farm. In 1905 thirty or forty able-bodied inmates of the Infirmary were transferred to the "Farm Colony;" the tuberculosis sanatorium has also gone to the new location and it is planned to have the entire institution, with the exception of the hospital, follow in a short time. The House of Correction will be moved as soon as possible to land adjoining the Farm Colony. In 1905 the Board of Public Service was authorized to sell the city property, and from its sale it is hoped that sufficient funds will be realized to relocate the institution on an enlarged and more or less productive municipal domain consisting at present of 1920 acres.

<sup>1</sup> *Annual Reports*, 1904, p. 1252.

§ 68. *City Farm School.* Agitation to have the House of Refuge separated from the Workhouse resulted in an act of the Legislature in 1886<sup>1</sup> permitting the Council to sell bonds for the purchase of lands and the erection of buildings for a City Farm School. Accordingly the Council authorized an issue of \$50,000, but at this point the project was blocked and not taken up again until 1901, although in the intervening years the plan was much discussed and a second law was passed in 1894.<sup>2</sup> In 1902, a farm of 123 acres was purchased near Hudson, Ohio, twenty-three miles from Cleveland; in 1903 more land was purchased, making a total of 285 acres. On this farm have been established eight cottages or homes for wayward boys where they live surrounded so far as possible by home influences. "It is an effort on the part of the municipality to have a kindly care for the lives of its unfortunate children."<sup>3</sup>

§ 69. *Charities and Correction, Conclusion.* Expenditures for the indigent blind cover the years from 1901 to 1904.<sup>4</sup> This class of charity was then transferred wholly to the county budget, and has since been declared unconstitutional.<sup>5</sup>

Since 1890<sup>6</sup> the state has maintained a free employment bureau in Cleveland. Until 1902 the salary of the agent was paid by the city, all other expense being borne by the state.

Unlike the expenditures for every other group of municipal functions, those for charities and correction have not

<sup>1</sup> Passed April 21, 1886, 83 O. L., 89.

<sup>2</sup> Act of February 8, 1894, 91 O. L., 465.

<sup>3</sup> Report of the Director of Charities and Correction, *Annual Reports*, 1902, p. 1120.

<sup>4</sup> Act of April 26, 1898, 93 O. L., 270; 97 O. L., 392.

<sup>5</sup> 75 O. S. Decided October 16, 1906.

<sup>6</sup> Act of April 28, 1890, 87 O. L., 341.

shown a tendency to increase more rapidly than population. In 1851-55 the per capita expense was \$0.61; in 1891-95 it was again \$0.61, having in the meantime been as low as \$0.40 and as high as \$0.71 in 1876-80; for 1901-05 the average is once more \$0.71. Private charity and privately organized charities account in part, probably, for the absence of increase which one is led to expect from what has taken place in other departments. For the reason that charities are not municipalized to anything like an equal degree in all cities, and the still more important reason that the division of the burden of both charities and correction between the city and other civil divisions varies greatly from state to state and city to city, comparisons are misleading. However, the data available for 1904 show the usual relation between the per capita expenditures for the different census groups of cities. Total per capita expenditures for charity and correction, including both outlays and expenses, are \$1.36 for Group I, \$0.85 for Group II, \$0.58 for Group III, and \$0.42 for Group IV. The average of \$0.71 for the last quinquennial period in Cleveland is low as compared with other cities in Group I or with those in Group II. For the single year 1904, however, the figures for Cleveland are \$1.03.

§ 70. *Schools.* Twenty-two and nine-tenths per cent of the total expenditures of the city for the last five years, excluding only payments for debt, have gone for education. No other function costs as much to maintain; and in the preceding quinquennial period education was exceeded only by highways. In sixty years the per capita expenditure for the entire population has increased from \$0.50 to \$5.52, while per capita expenditure based on the average daily attendance in the same time increased from \$6.04 to \$43.01. Some of the more important factors in this development are to be taken up in this section.



Until about 1865 teachers' salaries formed seventy-five or eighty per cent of the school budget. Outlays for buildings were small and the chief item of expense, after tuition, was for fuel. A common school education was all that was afforded until 1846, when by the authority of the Council a high school was opened in rented rooms. It was claimed to be the first school of the kind in the West and met with strong opposition on the grounds of illegality and inexpediency. The people declared their willingness to be taxed for common schools, but they objected to supporting high schools and "colleges." A special committee of the Council reported that in their opinion the school was established in violation of law and that it was "inexpedient to support a high school at the charge of the common school fund."<sup>1</sup> In spite of a heated controversy the school was suffered to continue and at its next session the Legislature "authorized and required" the city to establish and maintain a high school. After the annexation of Ohio City a high school was demanded on the west side of the river; as the statutes permitted but one high school, the Council opened a "branch" on the west side to meet the want. In 1859 the law was so changed as to require the city to maintain a high school and a branch high school.<sup>2</sup> By the terms of the compact when East Cleveland became a part of the city in 1872 the high school in that village was to be maintained until abolished in a specified manner. Cleveland, therefore, had three high schools and as a consequence a system "more expensive than any other in the West."<sup>3</sup>

<sup>1</sup> Andrew Freese, *Early History of the Cleveland Public Schools* (1876), p. 32.

<sup>2</sup> Act of March 25, 1859, 56 O. L., 282.

<sup>3</sup> Cf. *Thirty-ninth Annual Report of the Board of Education*, 1875, p. 66.

Development in the course of study of the high school also greatly increased the cost. At first two years, the course was extended to three years in 1851, and to four years in 1858. As originally established the high school was designed "to give instruction in the various branches of an English education." Latin and Greek were added in 1856, though strongly opposed in the Council. German was introduced in 1859.<sup>1</sup> Its introduction into the primary and grammar schools in 1870 was the cause of increased expenditures for public schools and the abolition of many private German schools. In 1873 the teaching of German in the lower schools was made obligatory.<sup>2</sup> Other cities about this time had attempted the same innovation, but gave it up as too costly. Special instruction in drawing and gymnastics found a place in 1874-1875.

The common school act of 1859 gave the City Council permission to establish and maintain one or more "industrial schools" for the benefit of destitute and neglected children.<sup>3</sup> The school had, however, long been discussed and like the high school had actually been established before legislative authority was sought.<sup>4</sup> The industrial school continued unaffected by the law of 1868. Although the act of 1873 contained no provision on the subject, and it was understood that all money expended for school purposes had been placed under control of the Board of Education, yet the Council continued to maintain two industrial schools. From 1870 to 1875 the expense to the city was less than \$5,000 a year and about half the amount was donated in cash or kind. After 1875 the schools were continued without public assistance, under the management of the

<sup>1</sup> *Report of the Board of Education to the Council, 1861-62*, p. 10.

<sup>2</sup> Act of May 1, 1873, 70 O. L., 209, § 52.

<sup>3</sup> § 11.

<sup>4</sup> *City Documents*, 1858, p. 81.

Childrens' Aid Society,<sup>1</sup> although the General Assembly restored the authority existing before 1873,<sup>2</sup> and the Council was urged to take action. The industrial schools, it was claimed, were less expensive in proportion than other public schools.<sup>3</sup>

Expansion of the high school curriculum in the last twenty-five years is undoubtedly a chief cause of the increased expenditure; but additions have also been made in the lower stages of the educational process. In 1887 a private manual training school established two years before was added to the public school system by special act of the Legislature.<sup>4</sup> A private cooking school for girls also became a branch of this school and in 1890 a second manual training school was established. Each high school has now its manual training department and manual training has also been introduced into a few of the primary grades and even into the night schools and summer schools. The total expenditure for manual training was in 1905 \$48,912.

A levy of one-tenth of a mill for kindergarten schools was authorized in 1897, and the next year expenditure for this purpose amounted to \$12,298; in 1905 it was \$44,280.

A school for deaf children was opened in 1893. Five years later the General Assembly pledged the support of the state for this purpose;<sup>5</sup> payments were made accordingly for two years and then withheld on the ground that the law was unconstitutional. The school has since been maintained from the common school fund, the total cost in 1905 being \$8,763. State aid, however, to the extent of

<sup>1</sup> *Report of Industrial School and Home*, 1876, pp. 3-4.

<sup>2</sup> Act of March 12, 1875, 72 O. L., 211.

<sup>3</sup> *Council Proceedings*, May 25, 1875.

<sup>4</sup> Act of March 16, 1887, 84 O. L., 92.

<sup>5</sup> Act of April 21, 1898, 93 O. L., 186.

\$150 for each pupil, was again sanctioned by the Legislature in the spring of 1906.

Vacation schools were inaugurated in 1903, the movement having been set on foot by private initiative as early as 1895. Summer terms are now maintained in the high schools, grammar schools, primary schools, manual training schools, summer playgrounds and kindergartens. The summer school is a new feature but has large possibilities for usefulness and will probably require much greater support in a very short time; the same is true of the evening schools. Although authorized as early as 1853,<sup>1</sup> elementary night schools did not become a regularly organized feature of the school system until 1896. They have now become a practical necessity because of the presence of a large foreign-born population anxious to learn the English language and to acquire the rudiments of an education. A two years' high school course, including nearly all the subjects taught in the day schools, is being offered in the evening. The total expense of all evening schools in 1905 was a little more than \$10,000. The wisdom of these extensions of the school system will not be questioned. They represent a fuller utilization of a large and expensive equipment provided from the public treasury for educational purposes; but, however wise the expenditure may be, it nevertheless contributes to the financial problem which school authorities in all large cities are compelled to face.

In 1839 the city erected its first school building. At that time two structures costing about \$6,000 made a serious financial burden and until 1854 only \$2,000 more was spent for that purpose. Heavy outlays in 1855 and 1856 were again followed by an almost total cessation of build-

<sup>1</sup> Act of March 14, 1853, 51 O. L., 442, § 36.

ing until after the War, so that by 1867 school facilities became most inadequate. A "mania for more room"<sup>1</sup> expressed itself in securing from the Legislature authority for the issue of \$200,000 worth of bonds<sup>2</sup> and two years later of \$150,000 more,<sup>3</sup> followed by much building. Then from 1870 to 1874 construction fell behind the increase of school population. Another crisis ensuing in 1875 was the excuse for continuing the policy adopted after 1870 of erecting what were known as "relief buildings." A relief building was a small two-room frame structure that could be moved from one locality to another wherever the need was greatest; heating and ventilation were bad and the floors cold. Yet in 1873 about one-fourth of the school accommodations was of this sort,<sup>4</sup> and the only excuse offered was "saving to the taxpayers." Such a room could be provided and furnished for about \$500, while a room in a brick building cost \$3,000. Adequate permanent construction was thus postponed until 1883, and when, delay no longer being possible, an effort was made to provide buildings, the cry of extravagance was heard. For twenty years one Board after another endeavored in vain to keep up with the increasing school population and to eliminate the basement, rented and "relief" quarters. On April 1, 1902, one hundred and forty-seven of these temporary and unhealthful class-rooms were in use. Responsibility for the condition

<sup>1</sup> Report of Auditor to City Council, *Thirty-ninth Annual Report of the Board of Education*, 1875, pp. 19-20. In this report to the Council it was stated that "one primary school is taught in a diminutive nine-by-ten shell, with an enrollment of 190 scholars under one teacher. It is divided into two sections, one section attending in the morning and the other in the afternoon."

<sup>2</sup> Act of March 11, 1867, 64 O. L., 45.

<sup>3</sup> Act of May 4, 1869, 66 O. L., 92.

<sup>4</sup> *Annual Report of the Board of Education*, 1873, p. 16.

was disclaimed by the Board of Education, for its efforts to levy the one-fourth mill allowed for building purposes had been thwarted by the Tax Commission, while the policy of issuing bonds was disapproved as unjust and extravagant. Relief was obtained from the General Assembly in 1902<sup>1</sup> in an extension of the maximum tax levy for building and sanction for the issue of \$350,000 common school bonds, as well as \$275,000 for high school buildings.

Salaries of teachers have gradually risen throughout the period, taken as a whole. Male teachers received \$500 in 1850. Increased living expenses in 1864 and 1865 were the cause of a considerable increase, making the average salary of male teachers about \$1200, and for female teachers about \$465.<sup>2</sup> In 1875 the average salary of all teachers was \$718; in 1880, only \$652; and in 1891, \$693. By 1900 it had reached \$744, and in 1905 was \$801.<sup>3</sup>

Actual cost of tuition is to be increased in the future by a system of pensions for teachers now being introduced. A pension law enacted in 1900<sup>4</sup> was held unconstitutional,<sup>5</sup> but subsequent legislation makes it possible for the Board to retire a teacher, or for a teacher to retire of her own volition, after a service of thirty years, and receive for the remainder of her life an annual pension based on the length of her service, but never exceeding \$300 per annum. The pension fund consists of (1) a contribution of \$20 a year made by any person who is to participate in the bene-

<sup>1</sup> 95 O. L., 15, 245.

<sup>2</sup> *Twenty-ninth Annual Report of the Board of Education*, 1864-65, p. 7.

<sup>3</sup> Figures for 1905 are based on the whole number of teachers employed in schools of all kinds; for other years, on the average number of teachers. Results are, therefore, not strictly comparable, the amount given for 1905 being relatively too small.

<sup>4</sup> Act of April 10, 1900, 94 O. L., 539.

<sup>5</sup> *State v. Hibbard*, 65 O. S., 574.

fits of the fund, (2) deductions from salaries on account of tardiness or absence, and (3) a percentage,—not less than one or more than two per cent,—of the gross amount received by the contingent fund from taxation.

Comparing total expenditures for education in Cleveland, including schools and libraries, with expenditures of other cities we find that for Group I the per capita expenditure in 1904 was \$6.26 and for Cleveland \$6.17. Group I is, however, unduly influenced by one city—New York—whose expenditure was \$9.14 in 1904. For Group I, not including New York City the figure is \$4.84. For the other Groups the figures stand as follows: Group II, \$4.74; Group III, \$4.39; and for Group IV, \$4.33.

§ 71. *Libraries.* Expenditures for public libraries require little discussion in addition to the statistical presentation, together with what has already been said in regard to management and revenues. Per capita expenditure was \$0.09 in 1866-70, and did not exceed \$0.11 until 1896-1900, for which period it was \$0.22. In the five years since 1900, owing largely to the erection of branch libraries and a temporary structure for the main library, the total per capita expenditure reached \$0.45; for 1905 alone the amount is \$0.63. The statistics show that with the growth and development of the library a constantly decreasing percentage of expenditure goes for the purchase of books; at present nearly fifty per cent more is paid for salaries than for books. This is probably the case to a greater or less degree with all libraries which serve the general public. Binding forms an important item of expense; in order to reduce it, a bindery department was installed in 1894. A system of library extension, begun in a small way in 1889, has resulted in a vast increase in the benefits which the public derives from the service, but it has also added to the financial problems of the administration. In 1905 five

branch libraries, seven sub-branches, four high school libraries, nineteen deposit stations, and fourteen delivery stations were maintained.

§ 72. *Parks.* A part of Cleveland's park system is as old as the city itself. The original surveys in 1796 set aside a public square of ten acres, which remained until 1837 in the natural state, used as a playground and a place for public meetings. "Everything of an out-door nature took place there." In 1867 the opening of streets through its center in each direction reduced it to less than five acres. Two other small parks, each less than two acres, known as Clinton Park and Franklin Circle, date from the beginning of the city in 1836.

Public parks were not regarded as a regular object of expenditure until after 1870. Occasionally the Council would direct the planting of trees, grading or other improvements, but the cost was paid from the general fund. A Board of Park Commissioners was created in 1871<sup>1</sup> and the next year an appropriation of \$5,000 placed at its disposal, but no separate levy for park purposes occurred until 1873, when two-tenths of a mill were levied for the following year. The first important outlay for the acquisition of parks also occurred in 1873, in the expropriation of ten acres for Lake View Park, at a cost of \$234,952. To make the purchase, seven per cent bonds payable in fifteen years were issued to the amount of \$235,000. Agitation for such a park had been started in 1865 and authority granted by the Legislature in 1867.<sup>2</sup> Active attempts to defeat the bond issue having failed, the opponents of the project endeavored, also unsuccessfully, to have the park sold and the proceeds used to build a city hall. Private grounds con-

<sup>1</sup> Ordinance of August 22, 1871. Cf. *City Documents*, 1879, p. 219.

<sup>2</sup> 66 O. L., 215.



taining a little less than ten acres, known as "Pelton Park," were purchased in 1879 and dedicated as South Side Park.<sup>1</sup> To make the purchase a modification of the Burns law had to be secured, \$50,000, the price asked, not being available at once without borrowing. Payment was then made in six annual instalments and a tax of one-fourth mill levied in 1880.

On its five<sup>2</sup> parks the city spent for improvements in 1875 \$60,657, no expenditure of equal amount being made again in a single year until 1893, when the "Park Act" was passed and the present park system inaugurated. An important event in the later developments occurred in 1882 in the gift to the city of Wade Park. It consisted of seventy acres laid out as a park ten years earlier and subsequently improved by large outlay. The gift was made on condition that within three years from January first, 1883, the city would expend not less than \$75,000 in improvements;<sup>3</sup> by means of loans from the sinking fund and a bond issue the requirement was complied with. Then from 1886 to 1892 not more than \$11,000 were spent in permanent improvements. In 1890 Cleveland had less than a hundred acres in parks. "No city in the land," declared the Commissioners, "is so poorly equipped and in none is the appropriation for park purposes so meagre."<sup>4</sup> This condition when brought home to the people touched their civic pride. So far the parks had grown more or less by chance. Influential citizens now met and organized a systematic movement for the enlarging and improving of

<sup>1</sup> *Council Proceedings*, February 16, 1880.

<sup>2</sup> Miles Park, containing about two and a half acres, was placed under control of the Park Commissioners in 1875.

<sup>3</sup> Annual Report of Park Commissioners, *City Documents*, 1882, p. 244.

<sup>4</sup> *Ibid.*, 1890, p. 464.

Cleveland's parks; the Park Act of 1893<sup>1</sup> resulted. It provided for a Park Board of three members appointed by the Commissioners of the Sinking Fund, the Mayor and President of the Council being members *ex-officio*. It took the place of park commissioners provided by general laws, to be appointed by the Mayor, confirmed by the Council and subject to the latter in financial matters. This board, however, had already been abolished for Cleveland by the enactment of the Federal Plan, which vested its powers in the Director of Public Works.

The gift of Gordon Park, containing 112 acres of well-improved park land, marked the first year of the new régime. By gift and by purchase the total park area increased to over 1000 acres in 1895, and on January first, 1906, was 1524 acres. Of this, 675 acres represent donations, while 848 acres have been purchased. Since 1893 the city has spent nearly \$4,500,000 for land and permanent improvements, and for maintenance \$1,368,000, an average of \$105,000 a year. The accompanying table shows the remarkable development of parks in the past fifteen years:

*Area of Parks in 1890 and 1903.*

<i>Number of acres.</i>		<i>Number of acres.</i>			
<i>1890.</i>	<i>1903.</i>	<i>1890.</i>	<i>1903.</i>		
Chicago.....	2006	2267	Detroit.....	763	1247
Philadelphia.....	3025	4137	Minneapolis.....	1489	1747
St. Louis.....	2130	2133	Rochester.....	475	666
Boston.....	1130	2419	St. Paul.....	354	1001
Cincinnati.....	539	539	Providence.....	127	536
Cleveland.....	93	1524	Denver.....	441	562
Buffalo.....	638	1049	Pittsburg.....	610	910
New Orleans.....	459	522			

Not being responsible directly to the people, the Park Board was free to develop a consistent scheme, and charges of

<sup>1</sup> Act of April 5, 1893, 90 O. L., 100.

wanton extravagance were not lacking.<sup>1</sup> The department of parks, it was felt, should be a part of the municipal government. The Board was by the act of 1893 limited in its existence to seven years and when it expired in 1900, by a similar act<sup>2</sup> was substituted a board of five members appointed by the judge of the circuit court. A year later, however, the parks passed into the control of the Director of Public Works; the new Code puts them in the hands of the Board of Public Service.

The present value of the parks is estimated to be over twenty millions. In the creation of the system real estate in private hands has been enhanced in value many fold, so that taxes collected from the increased valuation will in time probably more than pay the total cost to the city. This effect of parks on the value of private property has suggested a fundamental error in the policy of park development in the past. Instead of accepting tracts of park land from private individuals as gifts, on condition that the city spend large sums in improvement, the city should have purchased the land and assessed the cost of improvement on property owners benefited thereby to the extent of millions of dollars. For the 828 acres purchased between 1894 and 1905 \$944,067 was paid, leaving \$3,500,000 spent in improvements which have put hundreds of thousands of dollars into the pockets of real-estate owners in the vicinity of parks. Extension of the system now consists in connecting existing parks by boulevards encircling the city. Real estate in the vicinity of these parkways must receive a great increment in value and should bear a large share of the outlay involved in their construction.<sup>3</sup>

<sup>1</sup> Cf. *Proceedings of City Council*, September 7, 1897.

<sup>2</sup> Passed April 6, 1900, 94 O. L., 517.

<sup>3</sup> *Annual Reports*, 1902, p. 1257.

Small parks, or breathing spaces, provided with children's playgrounds and other facilities for recreation have come to be a real necessity in many of the more congested districts. While the authorities are busy providing ways and means for these immediate wants the suggestion of an "outer" system of parks and boulevards has been made. The valleys of the Rocky river on the west and the Chagrin river on the east, now apparently remote from the city, are pointed out as additions which it is desirable that Cleveland should make to her park system in the near future.<sup>1</sup> Every outlay for enlargement and improvement calls for increased appropriations for maintenance. In 1903 the Superintendent of Parks declared that it was "almost impossible to keep the parks in proper condition" with the funds available.

§ 73. *Baths.* Under the supervision of park officials public bath houses have recently been opened. As early as 1894 two small summer beach bath houses were erected at Gordon and Edgewater Parks, but nothing further was attempted along this line until 1902, when a larger public bathing house was completed in Gordon Park. To the lake beach bathing facilities was added in 1904 a free public bath and gymnasium in the densely populated Orange Street district. A second bath house in another congested district was opened in the spring of 1906 at a total cost of about \$20,000; this contains also a laundry for free public use. Other institutions of this kind are needed and will probably be furnished by the city in the near future. The expense of maintenance in 1905 was a little less than \$11,000, the purely nominal fees charged to patrons covering about one-seventh of this amount.

<sup>1</sup> Cf. *Annual Report of the Department of Public Service*, 1905, p. 16.

## CHAPTER V

### MUNICIPAL INDUSTRIES

§ 75. *Water Works. Construction.* The only industrial undertaking of prime importance carried on by the city of Cleveland has been the furnishing of a water supply, but not until private enterprise had declined the task did the city undertake the construction of a water-works. As early as 1833 the Cleveland Water Company was incorporated by the General Assembly,<sup>1</sup> and given the right to supply the citizens of the city with water. For some reason, probably because the investment was not attractive, nothing was done. In 1850<sup>2</sup> the original act was amended, a company actually organized, and some stock subscribed; again nothing came of the project. The new charter in 1852 gave municipal corporations the power to construct water-works.<sup>3</sup> Plans and estimates were at once drawn up; and the necessary authority was secured from the Legislature to issue bonds and go outside its own territory to make connections with the lake. Popular approval of the scheme having been secured, work was begun in 1854 and the plant was ready for use in 1856. Seven per cent bonds were issued in 1854 for \$400,000 and for \$100,000 in 1856. Funds secured in this way, however, were exhausted before the distributing system was completed. Another loan of \$50,000 was voted, but as the interest was restricted to

<sup>1</sup> Act of January 25, 1833, 30 O. L., 55.

<sup>2</sup> Act of March 19, 1850, 48 O. L., 553.

<sup>3</sup> Act of May 3, 1852, 50 O. L., 223.

six per cent it was found difficult to sell the bonds. Until the pipes were laid and the plant began to earn a revenue, the interest charge on the original loan formed a heavy burden.

§ 76. *Administration.* As originally constituted, the Water Works Board consisted of three members elected for three years; it had full powers in the management of the plant and in assessing and collecting the water "rent;" the City Auditor had no voice in its financial affairs.<sup>1</sup> The struggle against independent boards in the city government, noted in a preceding chapter, was directed especially against the Water Works Board about 1884. It was particularly desired that salaries in the water department should be subject to the approval of the Council and claims paid through the offices of the City Auditor and Treasurer.<sup>2</sup> In 1885 Mayor Farley made the complaint:

Of the Water Works department but little is known, as it is as near a close corporation as could well be devised. Its salaries are high and not subject to approval by the Council. Its employees are numerous, and expenditures for various purposes very great. Yet that department handles its own funds without other scrutiny, and draws from the treasury in lump for pay-rolls and bills that do not pass through the same channels of investigation so wisely imposed on other departments. . . . Supplies are purchased more or less indiscriminately by the various employees, and at the end of the month the board approves the claims; and this appears to be its only duty. . . . Every subsidiary board and department should be under the eye and hand of the Council.<sup>2</sup>

At this time the Board still consisted of three members elected as at the beginning. It was without restriction in

<sup>1</sup> Act of March 11, 1853, 51 O. L., 361.

<sup>2</sup> *Annual Reports*, 1884, p. x.

matters of expenditure, except that before entering a contract involving an amount greater than \$500 bids must be advertised for at least two weeks. Weekly deposits were made with the City Treasurer; warrants of the Board had to be signed by the secretary and one trustee; monthly reports of receipts and disbursements were required to be made to the Council. That body had full power to investigate the affairs of the Board and could remove any officer for cause. In 1880, indeed, a Council committee had investigated the water department and was "surprised in learning the careless and negligent manner in which some of the books and accounts are kept, and have been for years."<sup>1</sup> Recommendations were made at that time looking to a more intimate connection between the financial administration of the Board and the city government; feeling was strong that every board should bear the same relation to the Council.

Under the Federal Plan the water-works became a division of the Department of Public Works and the Director was given the power to appoint a superintendent. Professor E. W. Bemis was in 1901 made Superintendent of the water-works. He is responsible in large degree for a marked increase in its efficiency and for the business-like administration now enjoyed. Particularly gratifying is the practically complete elimination of politics from the conduct of the department. Under the previous administrations political influences had seriously compromised its efficiency. "Some of the time books of labor bosses," Mayor Farley said in his message in 1900, had "more the appearance of pass-books of a political campaign manager than the business records of the office of a municipality."<sup>2</sup>

<sup>1</sup> *Council Proceedings*, January 5, 1880.

<sup>2</sup> *Annual Reports*, 1899, p. xiii.

§ 77. *Rates and Earnings.* For many years the earnings were small. In 1858 only about one-twelfth of the population was using the city water, objection being made that the rates were too high.<sup>1</sup> A reduction of one-third was made, but without a marked effect on the number of consumers and consequent earnings. From 1856 to 1876 the average revenue was only about \$56,000; after 1875 earnings rapidly increased and rates were reduced from time to time. Charges have always been lower in Cleveland, according to the present Superintendent, Dr. E. W. Bemis, than in other American cities.<sup>2</sup> Yet in 1887 the Trustees of the Water Works asserted that water rates had always been maintained at about four times what was necessary to meet operating expenses.<sup>3</sup> Because of this "surplus" revenue above what was necessary to meet the "current expenses of furnishing water to the citizens" the Council considered the rates burdensome and appointed a committee to wait on the water-works board and see whether it would not be possible to effect a reduction.<sup>4</sup> Statistics do show a very low water rate in Cleveland, and an inquiry as to the cause of this low rate brings up some of the most difficult problems of municipal finance.

A municipal industry does not have a capital stock on which it must pay dividends; neither does it have to pay taxes. On the other hand it does resemble a private corporation in possessing an equipment which is to be maintained intact and extended to meet the demands of the community and

<sup>1</sup> The following are some of the rates in 1858: Dwelling-house, not exceeding five rooms, \$5; each additional room, \$0.50; bathing-tubs, each, \$2; water-closets, \$2 to \$5.

<sup>2</sup> *Annual Reports*, 1901, p. 311.

<sup>3</sup> *Ibid.*, 1887, p. 560.

<sup>4</sup> *Proceedings of the Board of Councilmen*, January 31, 1887.



it has a bonded debt outstanding, requiring regular interest payments. In the case of a private company fixed charges, dividends, maintenance and operation, and new outlays must all ultimately be paid out of revenue from services. When publicly owned and operated the industry may be managed in precisely the same way, the net income arising being regarded as a public revenue and applied to reduce taxes. At the other extreme is the method of making no charge for services, all resources being derived from some form of taxation. Either of these principles, or any compromise between them which public policy demands, may be adopted. In order to make an accurate and intelligent comparison of the efficiency of municipal and private management, based on rates charged, the first method must be used. In other words, the publicly owned industry should be placed exactly on an equality with the privately owned and operated plant. All expenses of administration and even taxes should be borne by the public enterprise; and the city, on the other hand, should pay for all service just what it would have to pay a private company. In comparing rates made by public and private companies for similar services these conditions are frequently overlooked.

It is assumed that water-works and other publicly owned municipal industries, in Ohio at any rate, are "productive undertakings." By reason of this character their funded debts are not included in the debt limit imposed. This implies not only a realizable security equal to the debt,—parks and other assets furnish this;—the implication is that property, the debt on which is excluded from the statutory maximum, will be able to pay its own obligations, and further, that it is not in any way to be a burden to the general tax levy. Rates must therefore be so fixed as to cover the cost of service, including the cost of operation, maintenance and capital outlay. The management of the

Cleveland Water Works has varied in important respects from this standard.

A conflict of ideas as to what principle should guide in the fixing of rates has always existed and the question is still a live one. Vaguely conceived the principle upheld most of the time has been cost of service; but as to what cost of service includes there has been little agreement. One theory is that the rate should be made to cover the cost of operating the plant.<sup>1</sup> The other theory, and the one which on the whole has prevailed, is that construction should also be paid out of earnings;<sup>2</sup> the few who can afford to use the privilege "should aid in extending" it to all, said Mayor Otis in recommending an increase of one-third in the rates in 1874.<sup>3</sup>

Earnings of the plant, plus income from loans, have paid expenses of operation and outlays from the beginning; in other words, consumers have borne the cost both of the water supply and the extension of the plant. In certain cities a hopeless mingling of commercial enterprise and purely governmental functions is brought about in making pipe extension by special assessments on abutting property. It is held that property is benefited and should bear the cost just as in the case of sewers and pavements. This is the position taken by the Ohio League of Municipalities in 1902,<sup>4</sup> and has long been a legal method in Ohio cities.<sup>5</sup>

<sup>1</sup> *Proceedings of the Board of Councilmen*, January 31, 1887.

<sup>2</sup> An act of May 1, 1854 (52 O. L., 79), provided for applying surplus earnings to extension.

<sup>3</sup> *City Documents*, 1874, p. xxi.

<sup>4</sup> A resolution of September 11, 1902, demanded "That municipalities be empowered to levy assessments upon benefited improved and unimproved property for laying water-mains, in the same manner as provided for other improvements" (*Proceedings of Special Commission on Municipal Code*, 1903, p. 516).

<sup>5</sup> An Act of April 18, 1874 (71 O. L., 109), provided for assessing

The Cleveland method has always been to pay the cost of pipe extension from revenues of the plant, and a deposit is required when the outlay does not net the department six per cent on the capital invested.<sup>1</sup> A practice which has existed from the beginning has made it difficult or impossible to determine the cost of furnishing water in the way a private company would be obliged to do it. The Water Works Act of 1853<sup>2</sup> prohibited the trustees from charging the city for water used for extinguishing fires, cleaning market houses, and in public buildings. The water used by the city in 1866 at the regular rates would have yielded the department about \$40,000. As the city paid the interest on the water-works debt, the exchange was regarded as approximately a fair one. About 1887 efforts were made to relieve the tax rate by having the interest, then about \$100,000 annually, paid from earnings.<sup>3</sup> Since 1890 it has been so charged. Interest paid by the city prior to 1891 aggregated \$3,940,000; and this amount Dr. Bemis finds almost exactly balanced by the free water and fire protection furnished by the water department. The amount of free service to the city varied from time to time; in 1887 it was estimated to be one-fourth of all the water pumped.<sup>4</sup> Proceeding from the number of hydrants in use at various periods, Dr. Bemis concludes that the total number of hy-

the cost of laying and extending mains on abutting property on the basis of frontage, tax valuation or benefits. Cincinnati has been specially authorized by several acts to use this method (84 O. L., 10; 90 O. L., 198; 94 O. L., 57). An act of March 24, 1888 (85 O. L., 112) gave cities of Cuyahoga county, outside of Cleveland, the right to levy special assessments for laying water-mains.

<sup>1</sup> The rate was formerly eight per cent. Cf. p. 111.

<sup>2</sup> Passed March 11, 1853, 51 O. L., 360.

<sup>3</sup> *Proceedings of the Board of Councilmen*, June 6, 1887; June 13, 1887.

<sup>4</sup> *Ibid.*, June 13, 1887.

drants supplying water for public buildings, parks, streets, and fire protection, is equal to 87,000 hydrants for one year. He then calculates an average price per hydrant based upon the cost of performing the service to the city. Taking into consideration the larger outlay and more rapid depreciation incident to maintaining pressure for fire purposes, \$45 is arrived at as an approximately accurate average price for the whole period, the present average price in the United States being about \$54. Eighty-seven thousand hydrants at \$45 each give \$3,915,000, only slightly less than the interest on water-works bonds paid by the city. Two other items enter into the costs borne by the city. Prior to 1881 the city paid \$925,000 water-works bonds issued for the original construction of the plant. They were paid, however, not from taxation, but from the Sinking Fund of 1862.<sup>1</sup> Interest on the \$925,000 to 1905 and any taxes which a private company would have paid must be regarded as expenses of the plant borne by the city. The "remarkably low charge" to consumers would have been increased somewhat had the public plant been on an equal footing with a privately owned one.

§ 78. *Sinking Fund.* Another cause exists for low rates; debt has been increasing rapidly with no provision for sinking funds. The act of 1853 provided for a sinking fund to be maintained by a special tax; running expenses only were to be paid from water rent; but no use was made of this provision. For a time the Sinking Fund of 1862 was known as the Water Works Sinking Fund, because it was pledged to the payment of \$925,000 water bonds. In 1885 a council ordinance<sup>2</sup> provided that any

<sup>1</sup> *Infra*, § 95.

<sup>2</sup> Ordinance No. 202. Cf. *Report of Secretary of Water Works Board*, 1885, pp. 390-91.

surplus earnings remaining after paying for operation, construction and repair should be paid to the Sinking Fund Commissioners for expunging the water-works debt, but rates were too low and expenses and outlay too large to allow a sinking fund to accumulate.<sup>1</sup> The water-works debt in 1885 was \$1,775,000 and remained at that figure for ten years. It then began to grow; in 1901 it was \$2,687,000 and on January first, 1906, \$4,266,000, without a dollar pledged to its redemption, bonds being renewed as fast as they mature. The present administration is undoubtedly open to criticism at this point. Few, if any, students of municipal finance would concede that the perpetuation of a debt of any kind is good public policy. Some provision should be made for paying the debt as it matures and this is the general practice in English and American cities. The method in use in Cincinnati may be cited as an example. The Water Works Act of 1896<sup>2</sup> requires the Board of Trustees to set aside from the net revenues not less than \$75,000 a year until all bonds are paid, or an adequate fund provided to pay them.

By way of justifying the Cleveland practice it is claimed that outstanding bonds are equal to but forty per cent of the structural value of the plant and that the security is kept sound by putting from earnings into new construction a larger amount annually than from loans.<sup>3</sup> Apparently there

<sup>1</sup> \$75,000 was paid over February 7, 1887. *Cf.* p. 223.

<sup>2</sup> Passed April 24, 1896, 92 O. L., 606-613.

<sup>3</sup> The real reason for this practice has been, it seems, that the water-works debt, as a part of the general debt, restricted the borrowing powers of the city. To have put earnings into a sinking fund, instead of using them for construction, thus allowing the nominal debt to be increased by loans for necessary construction, would have limited the city's power to borrow for other purposes. In short, it is a method, not prohibited by law, of raising the real debt limit imposed by the state.

is here some confounding of depreciation and sinking fund. A sinking fund, as the term is ordinarily understood and used in other departments of municipal government, has to do with debt payment. In order to distribute the burden of large outlays which normally have to be replaced only at long intervals bonds are issued. After a costly plant is constructed provision must be made for both depreciation and payment of debt. If debt only is paid, at the end of the life of the plant new debt must be incurred to reconstruct it. If, on the other hand, only depreciation is provided for, by maintaining a special fund into which is paid a sum equal to the annual depreciation, at the end of the normal life of the plant it is intact, but the debt remains, and interest charges are as great as ever. Unless, therefore, a permanent debt is desired, both a sinking fund and a depreciation fund must be maintained. It is not claimed that a debt should be paid and the value of a productive plant maintained through a depreciation fund, both within the life of a plant which extends over not more than one generation. To do so would impose a double burden on the present; to take the opposite course is to saddle a double burden on future generations.

The Cleveland Water Works has neither depreciation fund nor sinking fund. Professor Bemis has made a study of the depreciation of the plant and finds that it is about two per cent, or over \$200,000 annually, at the present time. His policy is to charge as much of this depreciation as possible to repairs, following the policy of certain large private corporations, especially of American railroads, in contrast to the English. This is called "conservative" accounting in the case of railroads, because in this way the physical properties are more certain not to depreciate and capitalization is kept down. In the case of a public water-works, however, neither of these reasons exist for throwing

a large expenditure from construction account to repairs and in so doing making comparisons with former years impossible. The enterprise has no capitalization that is in danger of being inflated. If, also, two per cent adequately represents depreciation, it is equally "conservative" to write off that part of the value of the plant every year, actually deduct it from earnings and set it aside for renewals. Not only does this method represent sound accounting; it makes it easier for the public to see what is being done than when part of the annual depreciation is put into repairs and the balance into a fund for new construction, made up partly of net income and partly of these deductions for depreciation.

§ 79. *Meters.* The present policy of introducing meters lends special interest to the administration of the Cleveland Water Works. Meters were first installed about 1875. As early as 1859 the Superintendent had suggested that the city purchase some meters "particularly to convince the consumers of large quantities of water" that they were paying an "inconsiderable price" for the water they used.<sup>1</sup> The installation of meters to reduce waste was urged for many years. In 1884 it was asserted that by a proper elimination of waste pumpage could be reduced one-half.<sup>2</sup> From 1880 to 1890 pumpage increased 173 per cent, and in the next decade 141 per cent, population in the meantime increasing 63 per cent in the first period and 46 in the second. A general introduction of meters set at the expense of the city began in 1901. At the beginning of 1901 2612 meters were in use; the number was increased to 2981 during the year; in 1902 it was further increased to 11,099 and to 24,503 in 1903. At the close of 1905, exclusive of free

<sup>1</sup> *City Documents*, 1859, p. 37; 1860, p. 45.

<sup>2</sup> *Annual Reports*, 1884, p. 364.

metered connections, 43,256 out of the 64,137 connections in use were metered. A little less than one-half of the 1009 free connections were also provided with meters. In the four years, 1902-1905, outlay for this purpose was \$728,613, the present value of all meters in use being estimated at \$735,558.

It is calculated that for every dollar spent on meters two dollars have been saved in machinery, buildings and other construction which the rapid increase in pumpage would have necessitated. Consumers have also benefited; in April, 1904, 20,433 metered consumers were paying 73.3 per cent of what they had paid under assessment. "Over nine out of ten," the Superintendent says, "are saving money from meters."<sup>1</sup> A beneficial influence on the health of the city is also claimed.

§ 80. *Conclusion.* On January first, 1906, the total cost of construction had reached \$13,836,416. Of this the chief item was \$7,489,720 for pipe extension. In 1873 this form of outlay amounted to more than \$290,000, a figure which has been exceeded in but four years, namely, 1894-1896 and in 1900. For meters \$1,025,447 have been paid since 1875. Two of the three pumping stations have cost over a million apiece. Lake tunnels are another form of construction that has been especially burdensome; almost two million dollars have been spent in this way.

The most obvious conclusion is that a sinking fund should be established into which a minimum payment should be annually required until the fund is capable of paying all bonds when they mature. Perhaps the fairest arrangement between the water consumers and taxpayers who do not use city water would be for the city to pay to the water works annually at least \$100,000 for the free water fur-

<sup>1</sup> *Annual Reports*, 1904, p. 646.



nished and let this go into a sinking fund.<sup>1</sup> Should it prove impossible to secure such a payment, rates ought to be raised sufficiently to allow the starting of a sinking fund.<sup>2</sup> However, by issuing bonds for all, or nearly all, new construction henceforth, it might be possible to maintain a sinking fund from the net earnings now used for outlays, without advancing present rates. The Superintendent calculated for 1905 a net earnings of \$200,000, after making due allowance for repairs and depreciation, and this was used wholly in new construction. Even a part of this amount annually invested in a sinking fund would provide for the redemption of the bonds now outstanding. It is hardly necessary to add that it is the method of dealing with sinking fund and depreciation charges, rather than the financial soundness of the Water Works, that is here criticized.

<sup>1</sup> The metering of free water may assist in bringing about a more desirable relation. A resolution of the Board of Public Service, passed July 15, 1904, authorized the metering of schools and other public buildings and charitable institutions. The purpose is to charge regular meter rates on all water used above a certain maximum allowance. At the present moment the right of the Board of Public Service to make such a ruling seems likely to be reviewed in the courts by a refusal of the school officials to pay the bills presented.

<sup>2</sup> The above was written with reference to conditions as they existed up to January 1st, 1906. The General Assembly in 1906 made a sinking fund a necessary condition for excluding water-works debt incurred in the future from the net indebtedness legally allowed to the city. In the language of the statute, in the net indebtedness of the city shall not be included "bonds issued for the purpose of constructing, improving and extending water-works when the income from such water-works is sufficient to cover the cost of all operating expenses, interest charges and to pass a sufficient amount to a sinking fund to retire such bonds when they become due." While these pages are going through the press the Council has authorized a loan of \$300,000 for construction purposes, creating at the same time a sinking fund for its redemption in twenty years. The writer is informed by the Superintendent that it is proposed to treat in the same way future bonds and existing obligations as they mature.

It seems more than probable that a filtration plant will before a great while have to be built at enormous expense, greatly augmenting the present large debt. Even if this should be delayed longer than now seems likely, the bonded debt under the present policy will continue to increase. Aside from provision for debt payment it might be urged that a depreciation fund ought to be maintained. Should the debt be provided for, however, no great fault could be found with the method of issuing bonds for renewals when they become necessary. To make renewals by bond issues with no provision for paying the debt ought not to be countenanced by local or state authority.

What benefit has the city of Cleveland derived from the ownership of her water system? The chief advantage, according to Dr. Bemis, has been the elimination of a powerful factor in corrupting and weakening the city government. A second advantage he finds in the "remarkably low charge" made for water to all classes of consumers.<sup>1</sup>

§ 81. *Cemeteries.* Among the productive enterprises managed by the municipality cemeteries rank second in respect to the amount of their financial transactions throughout the history of the city. Seven cemeteries are now under the public control. Only four of these, however, are used to any considerable extent. Erie Street cemetery, the oldest, is practically abandoned; a large share of the land is being deeded back to the city in exchange for lots in the new Highland Park cemetery. The latter consists of a tract of 441 acres adjoining the farm colony at Warrensville. Cemeteries within the city have become cramped for room and the new tract is designed to serve the purpose of a public burying-ground for many years. A portion of

<sup>1</sup> *Annual Reports*, 1901, p. 315. Since he assumed the duties of Superintendent of Water Works in 1901, Dr. Bemis has issued a series of most able and interesting reports.

it was opened in 1904, the remainder being cultivated under the supervision of cemetery officials.

Cemeteries were under the control of an elective board of trustees until 1891. Receipts, consisting of payments for services and vault fees, as well as the income from the sale of lots, were kept in the custody of the board. The law required funds arising from the sale of lots to be used solely for the improvement and embellishment of the grounds. Current expenses, however, for many years exceeded the revenue which could be legally applied to them; as the Council refused to make appropriations, they were paid from funds designed for outlays. Money arising from the sale of lots shows a relative decline from 1875 to 1880 on account of the opening of elegant private cemeteries.<sup>1</sup> When occasionally the Council did consent to levy a tax the cemetery trustees had no control over the receipts; consequently the existence of two independent funds produced a confusion which makes a correct tabulation of the data very difficult, although tables as complete and as accurate as could be made from published reports of the Cemetery Board are given in the Appendix.

The independent character of the Cemetery Board was attacked in 1885, as a part of a general movement against independent boards. The board of three members had almost complete financial independence; its funds were not even deposited in the city treasury. One member was selected to act as treasurer and expenditures were made wholly at the board's discretion. A detailed report of receipts and expenditures was annually made to the Council; and a report showing the nature of the investment of surplus funds was also required. The approval of the Council in appointing employees and fixing salaries constituted the only

<sup>1</sup> Lake View Cemetery was opened in 1870.

real check upon the board. An attempt was made in 1886 to secure legislation requiring funds to be deposited and disbursed in the manner provided for other departments.<sup>1</sup> Finally the end sought was attained through the Federal Plan in 1891. Cemeteries were then made a part of the Department of Charities and Correction. Under the new Municipal Code this relation is continued, both being subordinated to the Board of Public Service.

§ 82. *Markets.* Municipal markets are as old as the city itself. In 1839 the office of market clerk was created.<sup>2</sup> It was his duty to attend to the market houses, weighing, and the conditions under which meat was sold, *etc.* In the earlier years grounds and building were rented by the city. In 1840 one market house was built and another in 1867. In 1880 the city had four markets occupying in all something less than two acres. At that time this was the only branch of the city government remaining under the control of a council committee;<sup>3</sup> other departments had been transferred, most of them long before, to boards provided by law. A question as to the propriety of a municipality's engaging in any business, such as markets, which entered into competition with private business interests, was raised in 1883. The Mayor took it up and decided that "the convenience to the greater number of citizens is the only gauge by which the project can be determined."<sup>4</sup>

At present only the poorer classes patronize the municipal market houses; the relative decrease is due chiefly to telephone service and free delivery. Receipts arise from rent paid by tenants for use of stalls, benches, curbs, *etc.*;

<sup>1</sup> *Council Proceedings*, May 24, 1886.

<sup>2</sup> *Cleveland Herald and Gazette*, November 23, 1839.

<sup>3</sup> *Manufactures, Trade and Commerce of Cleveland, 1880-81*, p. 12.

<sup>4</sup> *City Documents*, 1883, pp. xviii-xix.

fees received by the keeper of city scales are also included. Stalls were formerly assigned by public bidding, but under the new Municipal Code the Board of Public Service makes the assignments and fixes the rents to be paid. The chief items of expenditure are salaries of officers and employees, including the city sealer, and fuel and light for market buildings. Average receipts and disbursements have remained practically unchanged for many years.

The erection of a new and modern market house is now causing larger outlays than ever before. Under an act of 1898<sup>1</sup> the city was authorized to issue \$325,000 bonds for purchasing land and erecting a market house and auditorium. A Market House Commission of three members, provided for in the act, was appointed by the Mayor and confirmed by the Council August 12, 1901.<sup>2</sup> Originally to serve for but five years, the new Code provided that the Commission should continue to act until its object was accomplished.<sup>3</sup> In 1903, however, it was ousted because created by an unconstitutional law; its duties devolved on the Board of Public Service. From 1901 to 1903 \$160,000 of bonds were issued and the proceeds expended for land. Construction of the proposed building has been delayed in various ways, and the auditorium feature will probably be omitted, as urged by the Municipal Committee of the Chamber of Commerce.<sup>4</sup>

§ 83. *Docks and Wharves.* In view of her possibilities as an important lake port it is rather remarkable that Cleveland has paid so little attention to the matter of docks and wharves. Elsewhere<sup>5</sup> a suggested project for the construc-

<sup>1</sup> Passed April 26, 1898, 93 O. L., 668.

<sup>2</sup> *Council Proceedings*, August 12, 1901.

<sup>3</sup> § 216.

<sup>4</sup> Report presented to the Chamber, November 20, 1906.

<sup>5</sup> *Supra*, pp. 161-162.

tion of docks on a large scale has been referred to. Here is a field for municipal ownership and operation of far more promise just now to the prosperity of Cleveland, and also better suited for municipal activity, than street lighting and street railways.

An act of 1844<sup>1</sup> gave Cleveland the power to construct and operate wharves and docks. A few public landings were constructed in the next decade and these she attempted in 1856 to make a source of greater revenue to her,<sup>2</sup> though apparently with little success. In 1879 the city owned and controlled a harbor frontage of 4,960 feet; only a little over half of it, however, was in a serviceable condition. At present the total dock frontage in the city is approximately fourteen miles, of which the city owns about 1.2 per cent, including street ends and several parcels acquired in widening the river.

Income from the city's docks and wharves is treated here as the receipt of a municipal industry, although they are leased every two years to the highest bidder, so that there are no expenses of operation. Expenditures in recent years have been slight and are generally merged with the river and harbor fund.

§ 84. *Institutional Industries.* Institutional industries have been discussed sufficiently in the section devoted to the House of Correction. In addition to the manufacturing department of the Workhouse, a similar enterprise is carried on in a small way by the Infirmary and receipts from the sale of products from the Infirmary farm are tabulated whenever the reports make it possible. Expenditures of a commercial or industrial character are not clearly separated from the ordinary expenses of maintaining the institution.

<sup>1</sup> Passed December 21, 1844.

<sup>2</sup> *City Documents*, 1856, p. 11.

§ 85. *Miscellaneous Industries and Enterprises.* Two other undertakings commercial in their nature find a place here. Income and expenditure on account of the city store room and the sale of school books are not legitimately a part of the expenses of general government and schools, though in the reports of those departments they are usually so treated. In 1892 a fund was created for the purchase of stationery and office supplies at wholesale prices. These supplies are kept in the city store room and issued to the various departments at cost. The advantage of such a method of purchasing city supplies was pointed out from time to time,<sup>1</sup> but until the unified form of government was realized nothing of the kind could be put into practice, "because," said Mayor Gardner in 1886, "as at present conducted the departments are essentially 'close communion' and do not associate even for general business purposes."<sup>2</sup>

Since 1893 the Board of Education has bought school books and resold them to the pupils. An act of 1891 gave the authority by providing that publishers should furnish their books to boards of education at seventy-five per cent of the list price, to be resold to school children at an advance of not more than ten per cent.<sup>3</sup>

Other minor municipal services, formerly in private hands but now managed by the municipality, have already been referred to.<sup>4</sup> The collection of ashes by the city began in 1906. Other services have been or are now under consideration. The suggestion is made that the city should take over the sprinkling of streets as it is permitted to do

<sup>1</sup> *City Documents*, 1874, pp. xxviii-xxix.

<sup>2</sup> *Ibid.*, 1886, p. xxi.

<sup>3</sup> Act of May 4, 1891, 88 O. L., 568.

<sup>4</sup> *Supra*, street lighting, p. 158; night soil, p. 149; garbage disposal, p. 150.

by the Code.<sup>1</sup> A demand for municipal ownership of the street railways is seriously made by the partisans of the "three cent fare" movement, who have for years been waging a legal war with the Cleveland Electric Railway Company. The state laws do not at present permit cities to construct and own their street railways. Mayor Johnson, as is well known, is an advocate of municipal ownership. There is, however, no general sentiment in its favor.

<sup>1</sup> *Annual Report of the Division of Street Cleaning*, 1905, p. 3.



## CHAPTER VI

### DEBT AND SINKING FUNDS

§ 86. *Origin of Funded Debt.* "It has become somewhat customary," the Mayor of Cleveland was constrained to say in 1860, "for municipal corporations to negotiate loans, and accumulate a public debt for future generations to pay."<sup>1</sup> Admitting that such a method might be advisable in the case of "great improvements" or revenue-producing enterprises, he was forced to conclude that "ordinarily such a policy is unwise and should be deprecated."<sup>2</sup> For Cleveland, as for many other municipalities, it would have been well had these words been heeded in the next decade and a half. From 1866 to 1875, while the population of fifteen of the principal cities of the United States increased a little less than seventy-one per cent, indebtedness increased 271 per cent.<sup>3</sup> In the same period Cleveland's population increased 72 per cent and her debt 355 per cent.

<sup>1</sup> *City Documents*, 1859-60, p. 4.

<sup>2</sup> The Mayor's opinion of the wisdom of borrowing may have been influenced by the difficulty of finding persons willing to become creditors of the city. In the City Clerk's report for 1859 the following entry appears: "Paid W. H. Stanley, efforts to borrow money for the city, \$28.00." (*Report of City Clerk*, 1858-59, p. 15.) Since 1860 municipal securities have become a favorite form of investment. The very eagerness of investors to obtain city bonds has doubtless been a potent cause of the rapid growth of municipal indebtedness in the United States.

<sup>3</sup> H. C. Adams, *Public Debts* (p. 346); quoted from "Report of the Commission to Devise a Plan for the Government of the Cities of the State of Pennsylvania."

With the exception of half a million dollars incurred for the erection of the Water Works, the city debt before the beginning of the Civil War was small and unimportant. A debt of \$30,000 or \$40,000 for grading, inherited by the first Council under the city charter, was quickly paid.<sup>1</sup> With a debt which probably did not exceed \$15,000 in 1843 the Council was warned that it would find the "finances embarrassed."<sup>2</sup> No small share of the embarrassment alluded to was the direct result of a practice, followed by the village and adopted by the city, of issuing orders on the treasury regardless of whether there were funds on hand or not. Of a debt of \$22,000 in 1847, \$8,000 was in the form of these treasury orders, worth about \$0.625 on the dollar.<sup>3</sup> For labor and materials furnished the city prices were, accordingly, twenty-five to thirty-three per cent higher than the cash price; and to fund at least a part of these orders and bring the rest to par constituted the financial problem. The charter of 1852<sup>4</sup> permitted the city to borrow in anticipation of the revenues of the current fiscal year and this power was used the next year in a tax loan of \$10,000, supposed to be sufficient to cancel the floating debt.<sup>5</sup> "Funded debt," however, does not appear in any statement of liabilities until 1856. After 1861 floating obligations constantly accumulated and were then funded. Such current charges as interest and lighting expenses were allowed to go unpaid for a longer or shorter period when they were converted into interest-bearing debt,<sup>6</sup> with the result that more than thirty per cent of the indebtedness in 1872 was of this character, and for some time more than one-third of the interest charges was on bonds issued for current expenses.<sup>6</sup> Bonds

<sup>1</sup> *Cleveland Herald and Gazette*, March 25, 1837.

<sup>2</sup> *Cleveland Daily Herald*, March 21, 1843.    <sup>3</sup> *Ibid.*, March 15, 1847.

<sup>4</sup> § xcvi.    <sup>5</sup> *City Documents*, 1872, p. 13.    <sup>6</sup> *Ibid.*, 1874, p. xiv.

for viaduct, water-works and special improvements swelled the total at an alarming rate. Loans amounting to nearly nine and a half million dollars were raised from 1871 to 1877.<sup>1</sup>

§ 87. *Special Debt.* For a time the real proportions of the debt were concealed by dividing it into "general" and "special" indebtedness. The former was incurred for general purposes and was to be paid from the ordinary tax levy. Special debt consisted of bonds issued for local improvements, such as sewers, paving and street-opening; payment was to be made from special assessments on property benefited. In the five years from 1870 to 1875 the latter increased more than fourfold, amounting to nearly three million dollars; while the general debt increased but a little over fifty per cent. The policy of so classifying the debt seems to have originated in 1867, when the Mayor refused to admit that bonds of the four sewer districts formed a part of the general debt of the city.<sup>2</sup> On March first, 1870, bonds of this character had been issued aggregating \$334,876. In the debt statement of the following years no reference is made to a special debt, but at the beginning of 1874 it amounted to \$897,000, and during that year no less than \$1,534,700 was added to it. An idea prevailed that a special debt would take care of itself and need in no way be considered in estimating the city's financial burdens. Though it was true enough that special indebtedness was only a "contingent liability," interest on it had to be paid, and it was interest, as we are told, "that distresses."<sup>3</sup>

That opposition to these bond issues for special improvements should arise at this juncture was inevitable. Mayor

<sup>1</sup> *Council Proceedings*, August 6, 1877.

<sup>2</sup> *City Documents*, 1867, p. 7.

<sup>3</sup> *City Documents*, 1875, p. xiv.

Otis indignantly asserted that a large majority of the street-opening bonds were "issued in obvious conflict with the spirit of the law."<sup>1</sup> The law authorized street improvements, of course, but only when they were *necessary*; and the necessity contemplated was a public, not a private one, the reformer insinuatingly remarked. Land speculators had evidently made good use of the Council to speed their private ventures. By the defenders of the special improvement bonds abuses were ignored and the prevailing practice favored on the ground that it was not expedient to wait until the money for much-needed improvements could be accumulated, or to deny the benefit of the city's credit to the small taxpayer. The cost of improvements could also be greatly reduced, it was pointed out, by paying contractors in cash.

In the latter contention another evil practice that had fastened itself upon the financial system is suggested. In 1870 an act had been passed providing that all contractors should be paid in cash "or assessments;"<sup>2</sup> but for six or seven years, in open violation of this law, contractors received instead of cash special improvement bonds bearing seven per cent interest. A brokerage in these securities finally awakened criticism and led to a stricter council control over their sale.<sup>3</sup> In close connection with this irregularity still another cropped out during the same decade. Among the items of floating debt the statistics contain one known as "certified estimates." As the work on an improvement progressed a certificate of the amount completed was given the contractor by the City Civil Engineer; the certificates the contractor presented to the Auditor and re-

<sup>1</sup> *City Documents*, 1874, p. xx.

<sup>2</sup> Act of April 18, 1870, 67 O. L., 81, § 562.

<sup>3</sup> *City Documents*, 1877, pp. 34-35.

ceived a due bill known as a certified estimate. These orders bore interest at six per cent from the time they were presented to the Treasurer until paid. Usually the contractor was bound by agreement to wait for payment until the taxes or assessments were collected; but to realize at once on the certified estimates the practice grew up of presenting them to the Treasurer who discounted them at three to five per cent. Obligations of this sort did not appear in the annual reports, were not included in the special debt, and no accurate account of them seems to have been kept. After the matter had been investigated, certified estimates appear in the statement of liabilities for 1879 and a few years following. The amount outstanding in 1874 and 1875 must have been very large. Orders presented in 1877 and 1878 had been drawing interest for five or six years, their existence being unknown to the Treasurer.<sup>1</sup> The right to issue such certificates to contractors was granted by the Code;<sup>2</sup> the difficulty was that they were not issued nor paid in the manner provided by law.

A new enactment covering the subject of special debt was provided in 1882.<sup>3</sup> Bonds, notes, or certificates of indebtedness could be issued in anticipation of special assessments levied, but were made payable in annual instalments. Among its borrowing powers the city still has the right to issue bonds for this purpose, subject to the same limitations and restrictions that apply to other bonds. Notes payable within two years or less may now take the place of bonds in anticipation of special assessments.<sup>4</sup>

§ 88. *Debt Limit.* The "borrowing mania" which af-

<sup>1</sup> Report of Special Investigating Committee, *Council Proceedings*, February 18, 1878.

<sup>2</sup> § 666.

<sup>3</sup> Act of January 19, 1882, 79 O. L., 55.

<sup>4</sup> Code of 1902, §§ 95-95a.

flicted Cleveland the larger part of the decade beginning in 1870 was not confined to any one city or state. From 1870 to 1874 the city and town indebtedness of Massachusetts increased from \$34,800,000 to \$80,427,000; <sup>1</sup> the growth of debt in other states was even greater, as indicated above.<sup>2</sup> To check this alarming increase of local indebtedness limitations were placed by statute on the borrowing power in many states. Pennsylvania in 1873 <sup>3</sup> limited municipal debts to seven per cent of the tax valuation. Maine established a five per cent limit in 1877.<sup>4</sup> A little later Indiana went further and prohibited municipal debts in excess of two per cent of valuation.<sup>5</sup>

Governor Noyes suggested to the General Assembly of Ohio which met in 1874 that the power of local governing bodies in the state to create debt should be restricted by legislative enactment.<sup>6</sup> His advice was heeded and a law passed limiting the debt that cities could incur to five per cent of the valuation placed on property for taxing purposes. Although this maximum has been raised from time to time, at least one administration before the present has felt greatly hampered by the lack of power to incur further debt. The total debt decreased more than \$500,000 from 1878 to 1891; and although the policy of the Council for some years was to permit no increase,<sup>7</sup> the net indebtedness in 1891 was very close to five per cent of the valuation. In the maximum allowed by the state law the water-works debt

<sup>1</sup> *Commercial and Financial Chronicle*, vol. xx, p. 345. April 10, 1875.

<sup>2</sup> *Supra*, p. 203.

<sup>3</sup> Constitution of 1873, Art. x, § 8.

<sup>4</sup> Constitutional amendment adopted September 10, 1877, Art. xxii.

<sup>5</sup> March 14, 1881.

<sup>6</sup> Annual Message of the Governor of Ohio to the Sixty-first General Assembly, January 5, 1874, p. 7.

<sup>7</sup> *Annual Reports*, 1888, p. ix.

was not included. Vetoing an ordinance to issue street improvement bonds, Mayor Rose expressed the fear that New England officials might at any time decide to include water-works debt, an action which would render Cleveland bonds unmarketable for the use of trust funds in New England states, injuring the city's credit and causing the rate of interest to advance one or two per cent on the issue of re-funding bonds.

When the McKisson administration in 1896 launched a movement for large outlays to provide a better water supply, garbage disposal, sewage system and river improvement, to secure the necessary bond issues the only method available seemed to be to raise the debt limit. To the Citizens' Committee the Mayor reported that a careful comparative study had revealed that no American city in Cleveland's class had as small a debt, with the exception of San Francisco and Detroit; that Detroit's small debt, however, was not due to better financial management, but to the fact that fewer and less costly public improvements had been made.<sup>1</sup> By skillful computation Mayor McKisson convinced himself, and apparently the Citizens' Committee, that Cleveland's debt in proportion to population was anywhere from a sixth of, to something less than merely equal to, the debt of a dozen or fifteen other large cities. Real and personal property, he maintained, was valued at about thirty-five per cent of its actual worth and in consequence the tax rate was only one per cent instead of 2.87. The thesis which he undertook to prove was that Cleveland could largely increase her tax rate and indebtedness and still be able to attract capital from other cities of her class. To secure a large maximum debt limit he argued that Cleveland was the only city in the state whose growth and prosperity were

<sup>1</sup> *Annual Reports*, 1895, p. lxxvi.

fettered by the low limit; that no other city in the state had so small a debt; and that the finances of none had been so conservatively administered. Further, he urged, growing and prosperous municipalities are able to find means for disregarding debt limits, Chicago, St. Louis and other cities being cited as examples. In spite of a protest from the Council that such legislation was "unnecessary and against the best interests of taxpayers,"<sup>1</sup> the Legislature was induced to raise the debt limit from five per cent to seven. Greatly enlarged bond issues resulted in the succeeding years, the total debt increasing from \$10,675,000 in 1896 to \$14,503,000 in 1900.

§ 89. *School Debt.* A life history of debt incurred for each municipal function can be followed in the statistical Appendix; loans for school purposes, however, deserve special mention. Authority to issue bonds for the purchase of land and the construction of buildings was bestowed upon the city in 1853<sup>2</sup> and transferred to the Board of Education when the school and municipal finances were completely divorced in 1873. Prior to 1873, therefore, all school bonds were issued in the name of the city. The Board of Education, however, used this power very sparingly until 1882; for to borrow money and create interest-bearing debt to provide schoolrooms was considered by the Board during these years to be as poor a policy as to incur debt to pay teachers' salaries.<sup>3</sup> Restricted tax levy and rapid growth of population called for rather frequent issues beginning in 1883, because a "fallacious theory," that school buildings are a permanent improvement for a rapidly growing population, preferred loans to increased taxes.

<sup>1</sup> *Council Proceedings*, March 30, 1896.

<sup>2</sup> Act of March 11, 1853, 51 O. L., 362.

<sup>3</sup> *Annual Report of the Board of Education*, 1875, p. 24.



The policy adopted by the Board in 1873 was re-echoed by the School Director in 1896; "There can be no question," he declared, "that the issuing of bonds for building purposes is an unwise and extravagant method of meeting this problem."<sup>1</sup> In recent years, however, a relatively large amount of bonds have been issued for building purposes, as a comparison of the school levy with the total expenditure for schools will show. For erecting and equipping high schools \$300,000 were issued in 1898, and since 1900 bonds for building purposes have averaged nearly \$300,000 a year. Less important additions to the school debt are due to the annexation of Glenville. At the same time the highest rate allowed by the statutes is being levied for building purposes.

Over against a total debt of \$2,308,000 in 1905 an inventory of school property shows total assets of \$8,781,680, of which \$1,500,000 represents land values. The sinking fund, to be discussed presently, has assets amounting to \$243,185.

§ 90. *Causes of the Growth of Indebtedness.* The causes contributing to the growth of the city debt are fundamentally the same which have led to an increase of expenditures from decade to decade. A tendency is everywhere observed toward a larger use of credit as the density of population increases.<sup>2</sup> Speaking of the growing debt in 1877, Mayor Rose remarked that "Among the most prolific causes of this plague is the influence of political partisanship in the administration of city governments."<sup>3</sup> The large increase of debt at this time seems to have grown out of the board system of government, by which large de-

<sup>1</sup> *Annual Report of the Board of Education*, 1896, p. 16.

<sup>2</sup> O'Meara, *Municipal Taxation at Home and Abroad*, p. 26.

<sup>3</sup> *City Documents*, 1877, p. 19.

ficits were annually created and funded. A mistaken notion of the character of the "special" debt was also perhaps in part responsible. Special indebtedness, though only remotely a general liability, had an effect on business no less marked because it was to be redeemed by special assessments instead of general taxation.

§ 91. *The Longworth Bond Act.* The second upward trend in the growth of Cleveland's net indebtedness begins in 1902. This fact suggests that the general bond act of that year, known as the Longworth Bond Act, may have had some influence by making the creation of debt easier than it was before. The act<sup>1</sup> confers on the municipal corporations of the state general powers to issue bonds; no less than twenty-seven objects or functions are enumerated for which loans may be raised. Interest is limited to six per cent, though no restriction is placed on the length of time the bonds may run. The ordinance or resolution authorizing an issue requires a two-thirds vote of the Council; and if the amount issued in any one year is to exceed one per cent of the total assessed valuation of property, it must also be submitted to the people and receive a majority of the votes cast. Likewise, if the total net indebtedness is to exceed four per cent of the tax duplicate the surplus issues must be authorized by a popular vote, in which case the total may reach, but not exceed, eight per cent of the valuation. As a part of this maximum, bonds to be paid by special assessment are not included. Doubt having arisen as to whether the limit placed by the Longworth Act applied to debt existing prior to its passage, the question was carried to the Supreme Court where it was decided in June, 1906, that previously existing debts need

<sup>1</sup> Act of April 29, 1902, 95 O. L., 321. Its constitutionality was sustained in *Guckenberger v. Henderson*, 66 O. S., 692.

not be considered.<sup>1</sup> The debt limit is, therefore, considerably raised for a number of years; and the actual maximum is also still further increased by an act of the last General Assembly excluding water-works bonds and deducting sinking<sup>2</sup> funds from the outstanding debt in determining net indebtedness. Full advantage has been taken of both these modifications of the Longworth Act and Cleveland has now practically reached the limit beyond which popular consent is necessary. The people, apparently, are not in a mood to give their consent to a further bonding of the city. In a special election held October 9, 1906, an issue of \$300,000 of bonds for beginning work on the new City Hall, \$1,300,000 for the construction of a high level bridge to replace the Superior street viaduct, and \$700,000 to repair the Central viaduct were all defeated.

The Longworth Act, re-enacted as a part of the new Code, and subsequently amended, covers the main points in the borrowing powers of the cities of the state. In addition to its provisions the Council has power to borrow until the following tax levy is collected any sum that the local board of health may consider necessary.<sup>3</sup> "Deficiency bonds" to meet a deficit in the ordinary revenues may be issued to the extent of one per cent of the taxable value of property. Popular consent, however, is necessary for such an issue.<sup>4</sup>

§ 92. *Interest.* Interest on the public debt has regularly constituted one of the largest items of municipal expenditure. In 1873 more than one-third of the entire tax levy was required for this purpose. A per capita expenditure of \$2.73 in 1876-1880 is the largest in the city's history,

<sup>1</sup> City of Tiffin v. Griffith, 74 O. S., 219.

<sup>2</sup> Act of March 22, 1906, 98 O. L., 63.

<sup>3</sup> R. S., § 2138. *Municipal Code*, § 189.

<sup>4</sup> *Ibid.*, § 99.

though for the decade preceding 1875 the amount was only slightly smaller.<sup>1</sup> After 1880 the amount gradually declined to an average of \$1.66 in 1896-1900. The last five years show an increase, net interest payments per capita being \$1.95 in 1904,<sup>2</sup> which is larger than the amount paid by Chicago, Philadelphia, St. Louis, Detroit or Milwaukee. On the other hand interest payments in New York and Boston are much larger in proportion to population than in Cleveland. General conditions in Cleveland, however, are to be compared with the former rather than with the latter group. No important city in Ohio bears as large a per capita burden of interest as Cleveland, with the exception of Cincinnati, where a large part of the payment is due to the Cincinnati and Southern Railway. From the point of view of interest charges it is apparent that a further increase of debt, except for productive undertakings, will tend to put Cleveland at a disadvantage with most of the cities in her class.

The rate of interest has fallen steadily. Practically all bonds issued before 1875 bore seven per cent; in that year an effort was made to reduce interest to six per cent and \$350,000 were offered at that rate. These bonds had to be sold slightly below par, so that the actual rate was six and one-fourth per cent at par.<sup>3</sup> This,

<sup>1</sup> The figures for 1874 and certain other years are less than the interest actually paid, for the reason that in the Auditor's report principal and interest are not separated in payments. "Special bonds and interest" is a common form of entry. On this account also the amount of debt paid in 1874 and the years immediately preceding and following is only approximately correct.

<sup>2</sup> *Bulletin* 50, p. 199. Net interest includes only payments to the public; it excludes interest paid to sinking funds on securities of the city. Amounts given in the tables (Appendix C) are net payments, so far as possible.

<sup>3</sup> Report of the City Auditor, *City Documents*, 1876, p. 270.

however, was a distinct advantage, especially in view of the large viaduct issues which were made the following year and sold at a substantial premium. No seven per cent bonds were issued for any purpose after 1878, and after 1880 all six per cents were taken by the Sinking Fund Commissioners. A block of viaduct bonds had been disposed of at five per cent in 1877; from 1887 until 1893 five per cent was the prevailing rate, although as early as 1881 four per cents were sold at par. With very few exceptions all bonds issued since 1893 have borne four per cent.<sup>1</sup> A million dollars of water-works bonds issued in 1902 were sold at a premium sufficient to reduce the net rate to less than 3.3 per cent; since 1902 the net rate has increased almost to the nominal rate. Under the new Code the city is obliged to offer its bonds at par and accrued interest to the Sinking Fund Commission and only after the Commission has refused them can they be offered for public sale. For many years it has been customary to sell five per cent promissory notes in anticipation of the collection of special assessments for street improvements. In recent years practically all these notes have been purchased by the Sinking Fund Trustees. In 1905 five per cent bonds were sold instead of notes, all of them, —\$719,000,—being taken for the sinking funds, at par.

§ 93. *Method of Selling Bonds.* After the Sinking Fund Commission has been given an opportunity to take bonds at par they must be sold to the highest bidder, the sale being advertised thirty days in advance. Only after being offered at public sale may they be sold privately. Prior to 1877 all bonds were sold in the eastern markets by the personal efforts of the Treasurer. The scheme of advertising and receiving bids for the purchase of securities was tried as an

<sup>1</sup> Five or six per cent is the usual rate on bonds which have been assumed by the annexation of outlying villages.

experiment in 1877, and the first five per cent bonds ever sold brought a premium of 2.07 per cent. The following year, presumably influenced to some extent by the success of the plan in Cleveland, the General Assembly so revised the statutes as to require all cities in the state to sell their bonds in this way and prohibited private sale.<sup>1</sup> In the municipal bond market Cleveland's method of disposing of her securities has long been regarded as a model which other cities would do well to follow.<sup>2</sup>

§ 94. *Debt Payment.* However necessary and useful a municipal debt may be, a proper provision for paying it cannot safely be neglected. A growing and prosperous city finds no difficulty in making use of its credit to any extent the law of the state or the sentiment of the community will permit, but payment of obligations when they mature is a more difficult problem, and simple though the principles of debt liquidation are, a weakness in the financial administration of cities is likely to be found at this point. The fundamental principle to be observed, and usually aimed at in the laws of the state, is to make adequate provision for the payment of a debt at the time it is created. On this point Professor Adams speaks for all writers on municipal finance when he says that "in local affairs, early provision for the payment of debt is evidence of sound business principles. All the facts bearing upon the question are known to the authorities when they determine to borrow money, and there is consequently no reason why they should not make adequate provision for expunging a debt at the time it is created."<sup>3</sup> The sinking fund is usually the method

<sup>1</sup> *Annual Reports*, 1878, p. 22. Act of May 4, 1878, 75 O. L., 405.

<sup>2</sup> *Commercial and Financial Chronicle*, vol. 63, p. 6. *Supplement*, October, 1896.

<sup>3</sup> H. C. Adams, *Public Debts*, p. 310.

relied upon in American cities to cancel maturing obligations.

By the general laws of 1852 the city was required to levy and collect, in addition to all other taxes, not more than one-half mill, to be applied in payment of the funded debt and for "no other purpose whatever."<sup>1</sup> By an amendment in 1861 a levy of not less than one mill, nor more than three mills, was required until all outstanding debt was fully provided for.<sup>2</sup> In spite of full powers to establish and maintain sinking funds, the record of succeeding years is one of neglect and indifference. Want of early steps to provide for the payment of maturing bonds created in the term of Mayor Otis what he called an "emergency in financial management;"<sup>3</sup> the lack of adequate sinking funds has called for much refunding of debts which should have been cancelled at maturity. Special power is given to the Council to issue refunding bonds whenever necessary on account of limits placed on the power of taxation, or when that body deems it to be to the best interest of the municipality not to pay certain bonds.<sup>4</sup>

§ 95. *Sinking Fund of 1862.* By far the most important sinking fund of the city is the so-called Sinking Fund of 1862, the foundation of which was laid in certain railroad stocks owned by the city. Unlike the other sinking funds, its accumulations have resulted solely from income on investments and not at all from taxation.

Early railroad corporations in Ohio made pretty successful appeals for the use of the credit of the local units of the state. Before the Constitution of 1851 was adopted the counties had taken a total of \$4,128,000 of stock in the

<sup>1</sup> § 91.

<sup>2</sup> Act of March 28, 1861, 58 O. L., 46.

<sup>3</sup> *City Documents*, 1874, p. xiv.

<sup>4</sup> *Municipal Code*, § 96.

various corporations formed in the state; cities, towns, and townships had subscribed for an additional \$1,507,500 and to pay for this stock bonds were issued.<sup>1</sup> Cleveland was induced to make subscriptions to three roads. In 1846<sup>2</sup> commissioners were appointed by the Legislature to act for Cleveland in subscribing for \$100,000 of stock in the Cleveland, Columbus and Cincinnati Railroad and to issue an equal amount of bonds in payment, the company agreeing to accept them at par. Six per cent bonds issued in 1848, payable in 1859, were sold at 88; a year later a second issue of \$100,000 was authorized. In the three years during which the road was being built taxes amounting to \$24,800 were levied to pay interest on the bonds. Both principal and interest were finally paid from dividends, and a net profit of \$116,084 remained in 1862.<sup>3</sup> The second venture, however, was not so successful, though apparently entered upon with less hesitation. In 1849 an issue of \$100,000 was made to purchase stock in the Cleveland and Pittsburgh Railroad.<sup>4</sup> The only income from this investment was \$8,220 realized from a sale of stock dividends; when the bonds matured in 1859 the principal and \$14,606 ac-

<sup>1</sup> *Annual Report of Auditor of State for 1873*, pp. 269-271.

<sup>2</sup> Act of February 24, 1846, 44 O. L., 167.

<sup>3</sup> An account of these transactions from the side of the railroad corporation is given in the *Second Annual Report of the Directors of the Cleveland, Columbus and Cincinnati Railroad Co.*, January 12, 1853, p. 5. In the *Third Annual Report* (p. 9) the Directors say: "Cleveland and Columbus cities, then at the lowest stage of depression, came into the work with hesitation and reluctance. . . . It has profited every one who has invested in its stocks or its bonds; it has duplicated the wealth of the country which it penetrates, and trebled that of the two flourishing cities which it connects."

<sup>4</sup> Authorized by act of February 16, 1849, 47 O. L., 149. The vote on the question of subscribing for \$100,000 of stock was 27 to 1157 in favor of the proposition. (*Daily Herald*, April 4, 1848.)



cumulated interest were paid by the commissioners in charge of the C., C. and C. stock. The balance of the \$60,000 interest was met by taxes levied on the first seven wards of the city in accordance with the terms of annexation between Ohio City and Cleveland in 1854. A third railroad investment was made by the city before the new Constitution went into effect. In the spring of 1851 seven per cent bonds were issued for \$100,000 to purchase stock of the Cleveland, Painesville and Ashtabula Railroad Company,<sup>1</sup> which agreed to pay interest on the bonds until its dividends reached seven per cent. From the first the road was successful. Within three years stock dividends of twenty-five, twenty, and thirty per cent were issued, stock still being quoted at 125. At this figure Cleveland sold, with certain reservations, its original stock of \$100,000 to the Cleveland, Zanesville and Cincinnati Railroad. The conditions of the sale and the subsequent use made of the stock by the purchasing company involved the city of Cleveland and brought the transaction into the courts. Litigation dragged on until 1865, when the Supreme Court rendered judgment in favor of Cleveland for \$164,000.<sup>2</sup>

In the meantime a Sinking Fund Commission had taken the place of the boards of special commissioners in charge of the three railroad investments. By an act of March, 1862,<sup>3</sup> the railroad stocks of the city were made over to a fund for the redemption of a portion of the water-works debt at its maturity. Control of the fund was vested in a Board of Commissioners which on May 1, 1862, received

<sup>1</sup> Authorized by act of February 13, 1851, 49 O. L., 502.

<sup>2</sup> A summary of the facts relating to Cleveland's railroad investments is given in the City Auditor's Report for 1875 (*City Documents*, 1875, pp. 4-9). Cf. also Report of Railroad Commissioners, published in the *City Documents*.

<sup>3</sup> Passed March 28, 1862, 59 O. L., 126.

from the former boards a par value of \$361,378. The failure of a New York depository reduced the amount to \$327,962; the sale of Cleveland and Pittsburg stock also entailed a loss,<sup>1</sup> but the assets of the sinking fund on January 1, 1863, amounted to \$332,060. In 1867 in consolidating with the Cleveland and Toledo railroad company the Cleveland, Painesville and Ashtabula road issued and distributed to its stockholders dividends of seventy-five and twenty per cent in bonds.<sup>2</sup>

The growth of the fund was altogether remarkable and did much to stimulate later foundations. The primary purpose in creating it was, as we have said, to pay the debt incurred in building the Water Works, and in 1869 the Council by ordinance further pledged the sinking fund to this use.<sup>3</sup> When it was found that a surplus would remain after the \$925,000 bonds were paid a lively discussion in the Council and the public press ensued as to what use should be made of it,—a discussion and rivalry that has never ceased. The contract of annexation between Cleveland and Ohio City not only relieved the latter from any obligation incurred on account of railroad stocks, but also provided that such property, together with any gain from it, should be used for the special benefit of the city of Cleveland, as it was constituted prior to annexation, either by the purchase of public parks, or in such other manner as the majority of trustees representing the original territory might direct.<sup>4</sup> About the

<sup>1</sup> The C. and P. stock had never paid dividends and the special commissioners had recommended its sale if as much as 18 could be obtained. The Sinking Fund Commissioners sold it soon after, receiving 42½. Presently, though stock dividends were issued, it rose to 130.

<sup>2</sup> The large addition to be noted in the assets in 1867 was due to this fact. Sixth Annual Report of Commissioners, *City Documents*, 1868, pp. 117-119.

<sup>3</sup> Ordinance of November 9, 1869.

<sup>4</sup> *City Documents*, 1856, p. 12.

right of the "trustees of the first seven wards" to continue to determine the use of this fund discussion began to revolve in 1878. No court, the City Auditor believed, would ever sustain the contract of 1854, if an attempt were made to divert the fund from its legitimate object,—the payment of the general bonded debt of the city.<sup>1</sup> On the basis of ethical obligation the Mayor appealed to the "trustees of the first seven wards" to make that use of the surplus funds, and to insure such a disposition of them the Legislature was induced to pass a law in 1878<sup>2</sup> providing that no part of the sinking fund "shall be used for any other purpose than the payment of the bonded indebtedness." The Commissioners claimed that control of the fund was thus substantially taken from them and dissatisfaction on the part of the original wards secured an amendment in 1882<sup>3</sup> whereby any residue after paying the water-works debt could be used for "enlarging the Water Works and the city's part of the cost of repaving streets, the remainder to be applied to the payment of the general bonded indebtedness of the city." Thus the way was opened for using the sinking fund where current revenues should have been employed. In 1890 the assets of the fund were reduced to their lowest point between 1869 and 1906. At least \$650,000 had been appropriated to meet the cost of repaving streets; \$53,000 had been used for the fire department, and \$125,000 for bridge purposes. In 1885 the current expense of lighting the city was taken from the sinking fund.<sup>4</sup> Over \$600,000 were used to pay off bonded debt other than that of the Water Works, but after 1892 the fund was practically undisturbed, its assets amounting on January 1, 1906,

<sup>1</sup> Auditor's Report, *City Documents*, 1877, pp. 4-5; 1878, pp. 25-26.

<sup>2</sup> Act of May 13, 1878, 75 O. L., 1164.

<sup>3</sup> Act of January 19, 1882, 79 O. L., 54.

<sup>4</sup> *Proceedings of the Board of Aldermen*, September 14, 1885.

to \$2,240,325. Early in 1906 the City Hall property and other real estate needed to carry out the proposed "group plan" of public buildings were purchased at a cost of \$1,900,000. The balance of about \$350,000 will probably be used very soon for the establishment of small parks in the older parts of the city. "Unlawful diversion of funds" and the "rights of the original seven wards" will be used as watchwords of self-constituted champions of the old compact until the last dollar is paid out and the "Sinking Fund of 1862," which proved in a large degree to be not a sinking fund at all, ceases to exist.

§ 96. *Viaduct Sinking Fund.* A half dozen other sinking funds have played a minor rôle in the city's financial history. The Viaduct Sinking Fund was created in 1879 to provide for the payment of bonds issued to construct the Viaduct. The Supplementary Viaduct Act in 1878<sup>1</sup> required the Council within two years after its passage to establish a sinking fund to extinguish the debt authorized; it was specifically provided also that the proceeds of sale or lease of any lands acquired for viaduct purposes should be turned over to the sinking fund. From this source \$26,000 was realized. The principal foundation of the fund, however, consisted of \$265,000 of first mortgage seven per cent bonds of the Valley Railroad Company, paid to the city for a ninety-nine year lease on two and one-fourth miles of the bed of the Ohio Canal to which the city acquired title after moving the terminal lock that distance up the river.<sup>2</sup> Finally, before the establishment of the fund

<sup>1</sup> *Supra*, p. 163.

<sup>2</sup> Act of April 29, 1872 (69 O. L., 182). The city undertook the reconstruction of the canal terminal and paid the lessees of the Public Works \$125,000 for their interest in the portion of the Canal abandoned, in order to promote the interests of the Valley Railroad Company. The whole transaction was an unprofitable one for the city. (*City Documents*, 1874, p. xx, 159; 1877, pp. 41, 431; 1879, p. 43.)

authority was secured to levy an annual tax not exceeding two mills.<sup>1</sup> An ordinance in 1879<sup>2</sup> transferred control of the fund to the Commissioners of the Sinking Fund of 1862 and by them it was invested in railroad securities.

§ 97. *General Sinking Fund.* Mayor Payne especially urged this disposition of the Viaduct Sinking Fund in order that its resources might be invested and not allowed to lie idle in the treasury to be used illegally in meeting deficits in various departments and encouraging extravagance.<sup>3</sup> The latter course had been pursued with the so-called General Sinking Fund. An annual tax levy of not less than one mill nor more than three mills was required by law to meet maturing general bonds; but, although called a sinking fund, no part of it had ever been invested, the levy being made each year sufficient to meet the bonds maturing the succeeding year. An average surplus of \$146,000 had existed for a long time and could most profitably have been invested in the seven per cent bonds of the city. The General Sinking Fund also was, therefore, in 1879 put into the hands of the Sinking Fund Commissioners.<sup>4</sup> Two years later unappropriated moneys were set aside for the fund,<sup>5</sup> but accumulation was very slow; at the beginning of 1891 its assets amounted to only \$67,319 and in 1892 the fund disappeared.

In 1887 a Water Works Sinking Fund was established and put in charge of the Sinking Fund Commissioners. At the beginning of the year the city Treasurer paid over \$75,000 which was deposited in bank and earned \$1,281; at the end of the year it was paid back to the treasury. Had the fund been kept up and invested, the water-works

<sup>1</sup> Act of May 13, 1878, 75 O. L., 523.

<sup>2</sup> April 2, 1879.

<sup>3</sup> *City Documents*, 1875, p. xvi.

<sup>4</sup> *Council Proceedings*, April 2, 1879.

<sup>5</sup> *Ibid.*, January 31, 1881.

debt would now be somewhat smaller and means would be at hand for paying bonds as they mature, instead of renewing them.

§ 98. *City Hall Sinking Fund.* As early as 1881 the Council took up the question of creating a City Hall Sinking Fund to enable the city to erect a suitable municipal building at the expiration of its lease in 1900.<sup>1</sup> By an ordinance in 1889 such a fund apparently was established and a tax of four-tenths of a mill levied for eight years.<sup>2</sup> In 1892 the gross receipts tax of six and one-half per cent was imposed on the gas companies and the revenues assigned to this fund, which in 1895 was turned over to the Sinking Fund Commissioners. An act of 1898<sup>3</sup> sanctioned the use of the gas receipts for paying interest and principal of the debt to be created for the erection of a city hall. It also required the Council to levy annually a tax for the same purpose. Delay in construction of a municipal building and the urgent need of funds for other objects have led to a depletion of the fund. The existing balance of \$125,000 would now be used for beginning the foundations of the building, had it not been decided that it cannot be used legally for any purpose except the payment of the principal and interest of bonds issued in constructing a city hall. Receipts from the gas companies are now credited to the lighting fund.

§ 99. *School and Library Sinking Funds.* The School Sinking Fund had its beginning in 1887, when one-third of the amount of a debt of \$100,000, due in 1890, was set aside. The second third was reserved in 1888, but all was lost in the Axworthy defalcation, which put upon the Board of Education a large indebtedness. At the Board's

<sup>1</sup> *Council Proceedings*, February 7, 1881.

<sup>2</sup> *Ibid.*, June 10, 1889.

<sup>3</sup> Passed April 19, 1898, 93 O. L., 552.

request provision was made by the Legislature<sup>1</sup> for a sinking fund, to be managed by an independent commission of five members. It was established in 1893 and by means of its earnings and a small annual tax levy has been able to pay most of the interest and bonded indebtedness as it has come due.

The Library also has a sinking fund designed to pay its bonded indebtedness of \$250,000. The fund is managed by a board of three Commissioners appointed by the Court of Common Pleas.

§ 100. *Present Condition of Sinking Funds.* Until the new Municipal Code went into effect all sinking funds except the school and library, were managed by the Commissioners of the Sinking Fund of 1862, a self-perpetuating body. The Code provides a bi-partisan board of four trustees to manage the sinking fund.<sup>2</sup> The new trustees were appointed by the Mayor on May 27, 1903, and the old board directed to turn over to them the funds in its possession. This it did with the exception of the original fund of 1862. The new sinking fund trustees have charge of the city debt, and provide for the payment of bonds and interest; they certify to the Council annually the tax levy necessary to provide payment for bonds to be issued, for interest charges and the expenses of management of the sinking fund. This levy the Council has no power to alter and it is required to place it in the tax ordinance in preference to any other item.<sup>3</sup> Premiums and accrued interest on bonds are required to be transferred to the sinking fund and in case of bonds to be paid by special assessments, must be applied to the principal and interest of those bonds

<sup>1</sup> Act of March 17, 1893, 90 O. L. S., 97.

<sup>2</sup> § 102. The Sinking Fund Trustees are also a Tax Commission. Cf. pp. 46-47.

<sup>3</sup> § 108.

alone.<sup>1</sup> In order to refund or extend the debt at a lower rate of interest the trustees may issue bonds signed by the Mayor and sold as other bonds.<sup>2</sup> Bonds are not valid unless recorded in the office of the Sinking Fund Trustees.<sup>3</sup>

The investments of the fund must be in the bonds of the United States, the state of Ohio, or some municipal corporation in the state, and this provision corresponds with the recent policy of the old sinking fund commission. The resources of the fund of 1862 and the viaduct fund were at first invested largely in railway bonds. The latter disposed of all its railway securities in 1896 and since that time has held only the four and five per cent bonds and five per cent notes of the city. The Fund of 1862 gradually transferred its holdings from railway to Cleveland securities; for a time before 1870 it held a few United States bonds. On January 1, 1906, it held \$360,000 in the New York Central and Hudson River Railway three and one-half per cent bonds. The City Hall fund has never been invested in anything but Cleveland securities and the same is true of the General Sinking Funds. The School Fund, on the other hand, holds no Cleveland city or school bonds. It is invested in the securities of other cities, villages and counties of Ohio, and railway bonds. The Library Fund is in Cleveland, Toledo and Columbus municipal bonds.

<sup>1</sup> § 100.

<sup>2</sup> §§ 113, 115.

<sup>3</sup> § 114.



# APPENDIX A

## ASSESSED VALUATION OF PROPERTY

YEAR.	Real.	Personal.	Total.
1840.....	\$1,222,917	\$285,683	\$1,508,600
1849.....	3,091,110	1,374,680	4,465,790
1853.....	17,074,461	8,705,866	25,780,327
1854.....	17,594,979	6,937,392	24,532,371
1855.....	17,252,703	4,204,297	21,457,000
1856.....	17,252,703	3,753,008	21,005,711
1857.....	17,497,739	4,151,199	21,648,938
1858.....	17,625,548	4,325,881	21,951,429
1859.....	17,760,313	4,275,275	22,035,588
1860.....	14,471,184	4,150,250	18,621,434
1861.....	14,473,875	3,736,270	18,210,145
1862.....	13,987,193	4,878,267	18,865,460
1863.....	14,065,137	6,745,975	20,811,112
1864.....	14,212,122	8,285,470	22,497,592
1865.....	14,577,281	12,588,508	27,165,789
1866.....	14,965,988	13,591,265	28,557,253
1867.....	15,719,458	15,433,393	31,152,851
1868.....	17,437,361	17,684,058	35,121,419
1869.....	18,063,018	18,399,949	36,462,967
1870.....	18,941,045	17,612,477	36,553,522
1871.....	40,107,651	17,734,095	57,841,746
1872.....	40,668,491	19,060,380	59,728,871
1873.....	46,279,952	22,864,730	69,144,682
1874.....	49,322,702	23,887,442	73,210,144
1875.....	50,698,560	22,606,717	73,305,277
1876.....	51,466,940	22,095,297	73,562,237
1877.....	51,732,029	19,564,093	71,296,122
1878.....	52,187,400	17,952,239	70,139,639
1879.....	52,481,710	18,066,394	70,548,104
1880.....	53,165,295	20,481,899	73,647,194
1881.....	59,152,445	20,433,711	79,586,156
1882.....	60,915,745	21,693,334	82,609,079
1883.....	62,812,185	21,677,875	84,490,060
1884.....	64,137,055	21,840,950	85,978,005
1885.....	65,436,025	22,849,820	88,285,845
1886.....	66,609,175	24,475,231	91,084,406
1887.....	67,926,380	25,702,030	93,628,410
1888.....	69,136,345	26,786,240	95,922,585
1889.....	70,730,385	25,218,750	95,949,135
1890.....	72,734,940	26,879,115	99,614,055
1891.....	89,512,700	28,320,505	117,833,205
1892.....	91,782,150	29,498,065	121,280,215
1893.....	95,508,220	31,007,770	126,515,990
1894.....	100,891,800	31,748,105	132,639,905
1895.....	103,223,110	31,339,795	134,562,905
1896.....	105,089,320	33,384,065	138,473,385
1897.....	106,753,620	35,161,810	141,915,430
1898.....	104,932,280	37,358,495	142,290,775
1899.....	108,265,890	36,806,095	145,071,985
1900.....	109,242,770	40,526,650	149,769,420
1901.....	143,323,490	53,130,155	196,453,645
1902.....	146,374,080	46,320,890	192,694,970
1903.....	151,363,320	51,851,910	203,215,230
1904.....	151,995,018	51,225,625	*205,831,745
1905.....	.....	.....	214,033,000

\*The figures for real and personal property are taken from City Auditor's Report; the total, from the Report of the Auditor of State.

# APPENDIX A—CONTINUED

## TAX LEVIES FOR STATE, COUNTY AND MUNICIPAL PURPOSES PER \$1000

YEAR.	State.	County.	City.	School.	Library.	Total.
1836.....	\$1.25					
1837.....	1.50					
1838.....	2.00					
1839.....	2.00					
1840.....	2.00					
1841.....	1.75					
1842.....	1.75					
1843.....	1.75					
1844.....	1.00					
1845.....	1.00					
1846.....	8.00					
1847.....	2.75					
1848.....	3.00					
1849.....	3.00					
1850.....	3.20					
1851.....	3.60					
1852.....	3.50					
1853.....	5.10		\$11.25			
1854.....	3.55		7.125	\$2.00		
1855.....	3.20		6.875	.75		
1856.....	3.20					\$11.775
1857.....	3.10		8.00	3.75		13.60
1858.....	3.55		8.50			14.85
1859.....	3.55		8.00			14.70
1860.....	3.95		8.50			15.25
1861.....	4.55					19.25
1862.....	4.65					16.30
1863.....	5.05					21.20
1864.....	5.30		17.25	3.00		22.30
1865.....	5.30		17.25	3.00		27.55
1866.....	3.50		19.75	2.50		24.75
1867.....	3.50			3.10		25.15
1868.....	3.50		20.15	3.50		26.70
1869.....	3.50		19.25	4.10		30.00
1870.....	4.00		20.75	4.10		31.00
1871.....	2.90		12.50	2.75		19.80
1872.....	2.90		18.50	3.10		23.10
1873.....	3.05		18.65	3.60		24.00
1874.....	3.01		18.80	4.60		28.00
1875.....	3.01		18.75	5.10		29.50
1876.....	2.90		18.75	4.60		29.50
1877.....	2.90		17.85	4.60		28.60
1878.....	2.90		15.35	4.30		25.50
1879.....	2.90		15.05	4.50		25.40
1880.....	2.90	2.90	15.75	4.75		26.30
1881.....	2.90	2.90	14.05	4.75		24.60
1882.....	2.90	3.00	14.15	4.75		24.80
1883.....	2.90	2.90	15.75	6.25		27.80
1884.....	2.80	2.30	14.20	6.20		25.50
1885.....	2.90	2.50	14.35	6.25		26.00
1886.....	2.90	2.50	13.15	6.25		24.80
1887.....	2.90	2.80	16.15	6.25	\$0.20	28.30
1888.....	2.90	2.80	16.15	6.20	.25	28.30
1889.....	2.70	3.30	15.45	6.20	.25	27.90
1890.....	2.70	2.80	15.45	8.10	.25	29.30
1891.....	2.45	3.45	15.45	6.70	.25	28.30
1892.....	2.75	3.85	13.45	7.20	.25	27.50
1893.....	2.75	3.95	13.65	7.20	.35	27.90
1894.....	2.75	4.05	13.65	7.20	.45	28.10
1895.....	2.75	4.15	13.70	7.40	.50	28.50
1896.....	2.84	4.16	13.70	8.00	.50	29.20
1897.....	2.84	4.26	13.60	8.10	.50	29.30
1898.....	2.84	4.26	13.60	8.40	.45	29.55
1899.....	2.84	3.76	13.50	8.70	.60	29.40
1900.....	2.90	3.90	13.00	9.60	.60	30.00
1901.....	2.89	3.51	11.45	8.25	.60	26.70
1902.....	1.35	4.35	14.10	9.95	.75	30.50
1903.....	1.35	5.05	13.00	9.80	.90	30.10
1904.....	1.35	4.65	13.40	9.50	.90	29.80
1905.....	1.35	4.95	13.50	11.00	.90	31.70

RECEIPTS

APPENDICES

YEAR.	Cash on hand.	Total Receipts.	I. General Property Taxes.					II. Special Assessments.	III. Street Car License.	IV. Licenses, Permits and Fines.
			Total Property Taxes.	General Municipal Levies.	Sewer District-Special Levy.	School Levies.	"Poll Taxes."			
1837.....		\$45,776	\$16,410	\$13,857		\$2,553	\$550	\$27,288		\$1,478
1838.....		8,488	4,382	2,289		2,093	884	1,286		1,656
1839.....		21,618	14,622	10,415		4,207	872	4,777		764
1840.....										
1841.....		23,402	22,097	15,404		6,693	481	*		607
1842.....		8,715	7,039	6,039		1,000	127			1,080
1843.....		14,901	14,129	9,235		5,094				639
1844.....		16,448	15,502	11,141		4,361				843
1845.....		13,410	12,263	7,968		4,295	254			655
1846.....		14,044	13,373	8,651		4,722				671
1847.....		32,003	30,082	18,638		11,424	173			553
1848.....		22,768	18,393	12,385		5,908	1,300			597
1849.....		23,064	19,907	14,358		5,909	1,131			696
1850.....		28,722	24,096	15,573		8,523	1,497			1,221
1852.....		52,334	42,484	25,470		17,014	2,444			4,188
1853.....		72,881	65,835	44,127		21,708	2,447			1,727
1854.....		118,176	110,763	85,632		25,121				4,038
1855.....		281,695	251,792	193,109		58,183		14,844		4,898
1856.....	\$*16,885	233,843	186,911	146,590		40,821		22,345		8,393
1857.....	29,306	206,823	175,680	142,426		33,254		11,241		7,323
1858.....	59,924	235,047	207,550	166,723		40,827		19,149		4,735
1859.....	177,497	152,901	102,157			50,744		6,657		2,256
1860.....	7,555	241,051	200,522	158,992		41,530		19,181		1,375
1861.....	22,327	237,127	108,666	147,371	\$1,710	19,585		14,472		1,267
1862.....	87,219	*278,667	244,886	225,657	920	18,369		8,339		328
1863.....		*262,152	248,220	196,928	4,545	46,747		396	\$40	1,655
1864.....	1,139	360,875	239,549	186,234	5,805	47,510		1,433		8,734
1865.....	15,006	561,454	313,071	239,763	6,142	67,166		64,976	40	3,881
1866.....	35,814	704,622	437,500	346,411	10,464	80,625		106,594	100	6,206
1867.....	36,034	888,784	518,535	445,499		73,036		116,491		12,668
1868.....	159,784	1,021,992	578,479	378,184	80,752	119,543		249,334	100	14,239
1869.....	61,839	1,014,018	581,329	338,127	126,653	116,549		219,427	270	6,932
1870.....	58,316	1,229,178	805,256	571,306	92,115	141,835		259,463	260	9,339

\* Vide notes, p. 239.

## APPENDIX B—CONTINUED

## RECEIPTS

YEAR.	V. Gifts.	VI. From Other Civil Divisions.	VII. From Sales of Property.	VIII. In- terest Receipts.	IX. Departmental Receipts.					
					1. General Government.	2. Protection to Life and Property.	3. Health Conserva- tion and Sanitation.	4. High- ways.	5. Charities and Cor- rection.	6. Educa- tion.
1837.										
1838.			\$147			\$137				
1839.			14			366				
1840.										
1841.						41				
1842.						131				
1843.										
1844.						103				
1845.								\$238		
1846.								505		
1847.						296		928		
1848.						528		1,186		
1849.						64		1,794		
1850.						463		984		
1852.			96	\$995						
1853.			739	560		186		827		
1854.			18,925			231				
1855.	\$6,499		354					107		\$1,499
1856.			800			16			\$11,456	20
1857.			1,533			8		88	8,402	20
1858.				800		45		950	19	19
1859.			500						16	16
1860.			1,463	555		100			581	48
1861.		20,576	2,448	181					5,794	3,541
1862.		21,009			\$5			12		80
1863.				8	27	50	\$75	22	18	185
1864.			3,250	48,451	73	267		4,539	3,742	481
1865.		22,659	4,038	42,008	103	349		1,619	13,030	300
1866.		*76,967								
1867.		*58,652	1,839	26,309	219	32			4,590	363
1868.		*38,145	43,304	51,395	292	50		26,058	9,336	455
1869.			6,727	67,991	60	5			4,748	2,954
1870.		38,108	3,441	45,787					5,183	4,866
		42,162	1,358	*616		154			3,218	215

\* Vide notes, p. 239.

# RECEIPTS

## APPENDICES

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YEAR.	8. Receipts from Municipal Industries.						Receipts from Loans.			
	Total.	Water Works.	Markets.	Docks and Wharves.	City Scales.	Cemeteries.		Total.	Bonds Sold, Par Value.	Temporary Loans.
						Sale of Lots.	All Other.			
1837.....	\$194	.....	\$50	.....	\$144	.....	.....	\$2,506	.....	\$2,506
1838.....	.....	.....	.....	.....	.....	.....	.....	10,212	\$10,212	.....
1839.....	.....	.....	203	.....	111	.....	.....	.....	.....	.....
1840.....	314	.....	.....	.....	.....	.....	.....	.....	.....	.....
1841.....	432	.....	176	.....	137	\$119	.....	2,018	2,018	.....
1842.....	408	.....	.....	\$50	.....	358	.....	.....	.....	.....
1843.....	133	.....	.....	.....	.....	133	.....	.....	.....	.....
1844.....	373	.....	.....	.....	.....	373	.....	.....	.....	.....
1845.....	563	.....	.....	.....	178	385	.....	.....	.....	.....
1846.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1847.....	899	.....	.....	.....	115	784	.....	.....	.....	.....
1848.....	1,950	.....	543	135	391	881	.....	4,042	2,842	1,200
1849.....	1,206	.....	431	90	532	153	.....	1,100	.....	.....
1850.....	1,463	.....	511	120	525	307	.....	3,598	649	2,949
1851.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1852.....	2,223	.....	571	1,042	610	.....	.....	8,754	.....	8,754
1853.....	1,626	.....	410	429	787	.....	.....	960	.....	960
1854.....	3,154	.....	1,096	917	1,141	.....	.....	.....	.....	.....
1855.....	2,163	.....	669	.....	1,209	285	.....	37,398	8,000	29,398
1856.....	3,902	.....	1,000	773	1,143	976	.....	.....	.....	.....
1857.....	4,061	.....	1,497	684	1,116	764	.....	.....	.....	.....
1858.....	11,584	\$8,784	198	1,271	798	533	.....	9,501	.....	9,501
1859.....	14,586	.....	.....	592	1,258	2,889	.....	190,090	.....	190,090
1860.....	17,807	13,824	129	579	935	2,340	.....	67,778	.....	67,778
1861.....	20,170	16,793	265	310	462	2,340	.....	165,916	3,070	162,846
1862.....	3,823	.....	347	590	.....	2,886	.....	335,716	74,900	260,816
1863.....	7,014	* .....	455	825	.....	5,734	.....	215,192	13,289	201,903
1864.....	34,816	23,421	613	845	.....	9,937	.....	280,441	.....	280,441
1865.....	45,110	33,389	471	1,190	627	9,433	.....	121,440	121,440	.....
1866.....	62,238	45,364	992	1,430	1,289	13,163	.....	55,263	26,385	28,878
1867.....	71,995	51,862	830	2,080	1,563	15,361	.....	.....	.....	.....
1868.....	97,355	57,298	22,593	1,280	1,432	14,752	.....	357,455	66,000	291,455
1869.....	109,275	62,870	19,948	1,315	1,558	23,584	.....	111,993	111,993	.....
1870.....	107,117	70,411	18,811	197	1,119	16,579	.....	762,187	762,187	.....

\* Vide notes, p. 239.

## RECEIPTS

YEAR.	Cash on Hand.	Total Receipts.	I. General Property Taxes.				
			Total Property Taxes.	General Municipal Levies.	Pension Funds.	Sewer District—Special Levy.	School Levies.
1871.....	\$70,252	\$1,420,579	\$880,724	\$624,026	.....	\$111,648	\$145,050
1872.....	95,949	1,135,469	854,209	854,209	.....	130,458	130,502
1873.....	.....	607,126	328,801	256,178	.....	67,623	.....
1874.....	111,901	1,774,359	923,316	616,784	.....	119,589	186,943
1875.....	272,872	2,520,037	1,552,204	1,174,419	.....	137,682	240,163
1876.....	502,127	2,683,508	1,332,048	1,381,921	.....	129,066	320,461
1877.....	457,847	3,084,551	2,602,146	2,243,554	.....	.....	338,592
1878.....	400,771	3,718,194	3,241,132	*2,917,979	.....	.....	323,153
1879.....	149,878	2,677,662	1,447,875	1,252,198	.....	.....	195,677
1880.....	363,086	2,530,082	1,359,987	1,065,461	.....	.....	294,526
1881.....	185,919	2,602,324	1,379,384	1,069,099	.....	.....	292,600
1882.....	294,230	2,581,337	1,536,905	1,154,741	.....	.....	363,831
1883.....	229,712	2,699,546	1,480,187	1,125,518	.....	.....	335,043
1884.....	103,383	2,893,803	1,971,510	1,857,229	.....	.....	372,093
1885.....	2,866,394	2,150,049	1,690,930	1,690,930	.....	.....	438,783
1886.....	271,427	2,870,575	2,100,321	1,864,848	.....	.....	497,189
1887.....	254,803	2,860,674	2,072,895	1,531,543	.....	.....	521,377
1888.....	363,714	3,409,307	2,119,047	1,559,585	.....	.....	537,084
1889.....	240,228	3,833,771	2,671,393	2,076,035	.....	.....	571,968
1890.....	486,352	3,790,404	2,541,113	1,949,849	.....	.....	568,555
1891.....	554,134	*3,725,087	1,757,023	1,668,545	.....	54,618	*.....
1892.....	731,596	4,356,670	2,375,978	1,522,550	.....	124,817	703,905
1893.....	1,103,232	4,959,729	2,945,896	2,003,058	31,341	111,975	770,796
1894.....	1,761,099	5,078,161	*2,789,722	1,746,908	32,063	120,363	860,794
1895.....	2,348,474	5,446,852	3,090,155	1,792,804	15,608	192,604	992,040
1896.....	2,363,975	5,389,674	3,034,374	1,836,954	32,807	150,166	933,759
1897.....	1,648,892	5,548,977	3,043,294	1,838,949	32,786	128,438	978,154
1898.....	2,328,865	5,678,337	3,252,251	1,923,209	35,104	100,445	1,094,018
1899.....	2,801,342	5,696,240	3,821,428	1,901,046	35,682	200,122	1,115,083
1900.....	3,636,427	6,126,097	3,442,887	1,940,007	34,277	223,906	1,180,853
1901.....	3,698,183	6,557,955	3,500,923	1,992,009	36,495	120,838	1,264,804
1902.....	4,472,650	6,951,133	3,697,763	1,956,028	39,746	194,870	1,418,271
1903.....	3,987,248	7,435,950	4,422,305	2,371,951	38,856	207,262	1,634,792
1904.....	5,377,263	9,033,968	5,335,336	2,870,995	19,717	293,652	1,987,917
1905.....	8,937,199	9,540,368	5,410,368	2,793,264	55,177	302,188	2,089,916
1906.....	6,342,414	9,229,034	5,529,277	2,986,058	.....	240,882	2,105,546
1907.....	6,855,218	.....	.....	.....	.....	.....	.....
1908.....	.....	.....	.....	.....	.....	.....	.....
1909.....	.....	.....	.....	.....	.....	.....	.....
1910.....	.....	.....	.....	.....	.....	.....	.....
1911.....	.....	.....	.....	.....	.....	.....	.....
1912.....	.....	.....	.....	.....	.....	.....	.....
1913.....	.....	.....	.....	.....	.....	.....	.....
1914.....	.....	.....	.....	.....	.....	.....	.....
1915.....	.....	.....	.....	.....	.....	.....	.....
1916.....	.....	.....	.....	.....	.....	.....	.....
1917.....	.....	.....	.....	.....	.....	.....	.....
1918.....	.....	.....	.....	.....	.....	.....	.....
1919.....	.....	.....	.....	.....	.....	.....	.....
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1930.....	.....	.....	.....	.....	.....	.....	.....
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1932.....	.....	.....	.....	.....	.....	.....	.....
1933.....	.....	.....	.....	.....	.....	.....	.....
1934.....	.....	.....	.....	.....	.....	.....	.....
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1954.....	.....	.....	.....	.....	.....	.....	.....
1955.....	.....	.....	.....	.....	.....	.....	.....
1956.....	.....	.....	.....	.....	.....	.....	.....
1957.....	.....	.....	.....	.....	.....	.....	.....
1958.....	.....	.....	.....	.....	.....	.....	.....
1959.....	.....	.....	.....	.....	.....	.....	.....
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1961.....	.....	.....	.....	.....	.....	.....	.....
1962.....	.....	.....	.....	.....	.....	.....	.....
1963.....	.....	.....	.....	.....	.....	.....	.....
1964.....	.....	.....	.....	.....	.....	.....	.....
1965.....	.....	.....	.....	.....	.....	.....	.....
1966.....	.....	.....	.....	.....	.....	.....	.....
1967.....	.....	.....	.....	.....	.....	.....	.....
1968.....	.....	.....	.....	.....	.....	.....	.....
1969.....	.....	.....	.....	.....	.....	.....	.....
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1971.....	.....	.....	.....	.....	.....	.....	.....
1972.....	.....	.....	.....	.....	.....	.....	.....
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1988.....	.....	.....	.....	.....	.....	.....	.....
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1991.....	.....	.....	.....	.....	.....	.....	.....
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2001.....	.....	.....	.....	.....	.....	.....	.....
2002.....	.....	.....	.....	.....	.....	.....	.....
2003.....	.....	.....	.....	.....	.....	.....	.....
2004.....	.....	.....	.....	.....	.....	.....	.....
2005.....	.....	.....	.....	.....	.....	.....	.....
2006.....	.....	.....	.....	.....	.....	.....	.....
2007.....	.....	.....	.....	.....	.....	.....	.....
2008.....	.....	.....	.....	.....	.....	.....	.....
2009.....	.....	.....	.....	.....	.....	.....	.....
2010.....	.....	.....	.....	.....	.....	.....	.....
2011.....	.....	.....	.....	.....	.....	.....	.....
2012.....	.....	.....	.....	.....	.....	.....	.....
2013.....	.....	.....	.....	.....	.....	.....	.....
2014.....	.....	.....	.....	.....	.....	.....	.....
2015.....	.....	.....	.....	.....	.....	.....	.....
2016.....	.....	.....	.....	.....	.....	.....	.....
2017.....	.....	.....	.....	.....	.....	.....	.....
2018.....	.....	.....	.....	.....	.....	.....	.....
2019.....	.....	.....	.....	.....	.....	.....	.....
2020.....	.....	.....	.....	.....	.....	.....	.....
2021.....	.....	.....	.....	.....	.....	.....	.....
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2023.....	.....	.....	.....	.....	.....	.....	.....
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2042.....	.....	.....	.....	.....	.....	.....	.....
2043.....	.....	.....	.....	.....	.....	.....	.....
2044.....	.....	.....	.....	.....	.....	.....	.....
2045.....	.....	.....	.....	.....	.....	.....	.....
2046.....	.....	.....	.....	.....	.....	.....	.....
2047.....	.....	.....	.....	.....	.....	.....	.....
2048.....	.....	.....	.....	.....	.....	.....	.....
2049.....	.....	.....	.....	.....	.....	.....	.....
2050.....	.....	.....	.....	.....	.....	.....	.....
2051.....	.....	.....	.....	.....	.....	.....	.....
2052.....	.....	.....					

APPENDIX B—CONTINUED

RECEIPTS

YEAR.	II. Special Assessments.		III. Public Service Privileges.			IV. Licenses, Permits and Fines.				
	Total.	Street Railway Companies.	Gas Companies.	Total.	Liquor License.	Cigarette License and Dog Tax.	Vehicle License.	Venders' License.	Theatre and Show License.	
1871.	\$245,336	60	.....	\$11,811	.....	.....	\$568	\$762	\$672	
1872.	200,186	570	.....	13,467	.....	.....	763	382	.....	
1873.	113,490	*	.....	15,651	.....	.....	.....	.....	.....	
1874.	*462,810	.....	.....	22,150	.....	.....	.....	.....	.....	
1875.	592,126	.....	.....	21,319	.....	.....	.....	.....	.....	
1876.	420,461	.....	.....	15,260	.....	.....	.....	.....	.....	
1877.	*	.....	.....	15,290	.....	.....	.....	.....	.....	
1878.	*	.....	.....	22,661	.....	.....	.....	.....	.....	
1879.	680,050	.....	.....	29,820	.....	*\$5,000	.....	.....	.....	
1880.	566,021	490	.....	25,692	.....	7,578	.....	3,254	47	
1881.	514,826	1,020	.....	28,478	.....	3,751	.....	4,068	450	
1882.	381,145	821	.....	31,833	.....	6,051	1,404	4,501	506	
1883.	391,145	835	.....	36,889	.....	4,778	1,780	5,950	656	
1884.	491,106	1,088	.....	37,161	.....	5,191	1,852	7,687	725	
1885.	*	1,496	.....	27,992	.....	3,999	1,843	7,992	534	
1886.	.....	1,700	.....	28,447	.....	957	1,869	8,364	1,215	
1887.	.....	2,150	.....	34,104	.....	4,646	1,679	7,087	802	
1888.	.....	2,270	.....	382,431	\$348,000	5,279	1,790	6,657	635	
1889.	.....	2,240	.....	269,870	229,779	3,768	1,655	8,598	760	
1890.	.....	1,810	.....	358,029	310,435	2,981	1,364	8,919	660	
1891.	499,890	3,290	.....	472,301	400,570	10,853	1,451	9,302	961	
1892.	545,028	3,080	.....	346,928	270,801	2	1,023	10,653	865	
1893.	473,608	6,740	.....	349,962	300,327	.....	1,435	9,939	711	
1894.	550,935	6,920	42,113	508,568	461,440	.....	999	12,190	707	
1895.	676,622	51,705	45,045	416,141	368,358	.....	926	11,056	677	
1896.	695,548	57,506	50,446	427,579	358,223	3,953	1,429	13,990	1,222	
1897.	555,035	63,102	55,462	456,106	389,303	2,328	1,168	14,971	1,294	
1898.	471,765	66,121	58,311	484,901	414,627	2,624	841	14,263	999	
1899.	577,418	69,366	61,846	469,775	414,121	2,560	174	8,003	836	
1900.	752,591	72,328	65,128	504,724	430,151	2,827	.....	3,572	589	
1901.	677,983	79,235	71,955	599,268	470,725	2,786	.....	1,394	245	
1902.	785,817	82,212	74,632	508,289	451,421	2,507	.....	1,373	.....	
1903.	962,688	92,594	84,284	523,512	479,719	2,613	499	1,355	.....	
1904.	969,343	103,695	97,452	560,567	509,792	3,047	672	1,562	.....	
1905.	888,612	96,205	94,405	570,079	539,526	3,130	497	1,571	.....	
			87,365	664,192	568,242	3,065	867	1,588	.....	

\* Vide notes, p. 239.

## APPENDIX B—CONTINUED

## RECEIPTS

YEAR.	IV. Licenses, Permits and Fines.—Continued.					V. Gifts.	VI. From Other Civil Divisions.	VII. From Sales of Property.		
	Slaughter License.	Gardeners License.	Building Permits.	Sewer and Water Permits.	Fines.			Total.	From Real Property.	From Personal Property.
1871.....					\$9,514	\$945	\$48,458	\$8,896	\$6,637	\$259
1872.....					11,363	959	51,979	10,041	8,452	1,589
1873*.....					15,121	530		180	30	150
1874.....					16,039	6,111	57,599	615		615
1875.....					14,120	7,199	58,566	1,000	1,000	
1876.....					10,812	4,448	69,804	27,483	25,060	2,423
1877.....					9,183		82,397	6,166	6,016	150
1878.....					8,379	2,430	70,066	3,326	3,305	21
1879.....					15,585	27,682	38,308	3,912	3,895	17
1880.....					9,235	11,045	72,307	5,053	4,829	224
1881.....					5,441	55,955	73,907	21,434	20,344	1,090
1882.....					11,907					
1883.....					18,121	13,857	76,210	7,311	7,260	51
1884.....					21,776	18,625	82,848			
1885.....					20,124	13,000	89,522	2,407	2,338	69
1886.....					12,378		92,658	2,656	2,656	
1887.....					11,148	2,044	92,281	2,208	2,208	
1888.....					11,563	200	93,149	1,924	1,898	26
1889.....					12,960		99,011	5,413	5,360	53
1890.....					15,815		100,277	7,022	7,022	
1891.....					20,026		95,807	1,486	1,176	310
1892.....					22,467		104,385	51		51
1893.....					11,563		128,019	2,469	1,675	794
1894.....					12,960		126,916	4,174	4,200	174
1895.....					15,815		130,624	5,569		5,569
1896.....					20,026		136,101	7,671	4,280	3,391
1897.....					22,467		138,226	9,110	5,461	3,649
1898.....					11,563					
1899.....					12,960					
1900.....					15,815					
1901.....					20,026					
1902.....					22,467					
1903.....					11,563					
1904.....					12,960					
1905.....					15,815					

\* Vide notes, p. 239.



## RECEIPTS

## IX. Departmental Receipts.

YEAR.	VIII. Interest Receipts.				IX. Departmental Receipts.								
					1. General Government.			2. Protection to Life and Property.					
	Total.	From Depos-its.	Earnings of Sinking Funds.	All Other.	Total.	Public Buildings and Lands.	Courts.	All Other.	Total.	Police.	Fire.	Inspec-tion.	All Other.
1871.....	\$93,970		\$93,354	\$616	\$50				\$12,357				
1872.....	73,094		71,778	1,316	10,884			\$10,884	99				\$99
1872*.....													
1873.....	99,081		89,999	9,122					3,114		\$3,114		
1874.....	49,723		44,055	5,668	1,168				4,124		4,124		
1875.....	82,412		77,369	5,043	5,637			4,056	4,767	14	4,592		161
1876.....	94,400		89,348	5,052	44,199	13,412		30,787	8,238	5,541	2,697		
1877.....	81,897		80,288	1,609	6,545			6,545	2,401	2,401			
1878.....	99,886		93,000	6,886	21,981	8,433		13,548	2,767	685			
1879.....	101,762		101,762		8,329			571	1,256	417			2,082
1880.....	156,196		136,286	19,910	11,867	10,458		1,409	4,580		3,124		1,456
1881.....	122,425		122,425		14,580	8,882		5,698	80,196	77,658	2,358		180
1882.....	112,430		112,430		12,005	9,936		2,669	6,705	4,115	2,335		255
1883.....	105,110	\$955	104,155		90,886	9,855		80,960	44,241	20,214	23,902		125
1884.....	91,369		85,045	6,324	11,990	11,055	935		3,032	769	2,163		100
1885.....	53,114		49,746	3,368	40,054	11,132	1,026	27,896	3,140	275	2,735		130
1886.....	41,499		41,499		20,800	9,596		11,204	1,786	157	1,629		
1887.....	68,889		51,333	17,556	77,312	10,589	74	66,649	68	1,776			
1888.....	67,761		47,887	19,874	56,044	11,254	371	44,422	8,267	6,942	1,325		
1889.....	46,800		46,800		21,547	9,241	889	11,417					
1890.....	64,434	12,801	51,633		24,139	9,271	13,202	1,666	2,823	44	670	7,031	61
1891.....	75,013	23,155	51,858		24,633	12,202	12,431		7,806	3,208	3,403		
1892.....	77,577	23,215	54,362	15,082	23,599	10,586	13,013	47,894	4,970	148	25	2,823	
1893.....	97,016	76,388	20,628		64,702	8,937	7,871		3,825	25			
1894.....	191,157	157,132	34,025	7,617	22,331	9,489	12,862		6,561	175	25	6,258	103
1895.....	92,452	64,407	28,045	6,856	36,463	11,853	24,610		3,058	325	95	3,431	107
1896.....	107,222	73,199	34,023	4,755	22,543	6,988	15,557		3,116	50		3,116	
1897.....	151,994	86,102	28,784	37,108	23,615	8,907	14,708		4,554	407		4,504	
1898.....	137,517	103,639	33,946	17,932	22,148	6,748	15,400		3,736			3,329	
1899.....	195,754	142,338	53,416	9,739	22,170	3,503	18,667		2,772	520		2,252	
1900.....	221,370	130,991	47,326	23,053	28,822	4,486	21,796	3,540	2,434	655		1,779	
1901.....	241,130	178,463	54,358	8,317	34,364	3,286	26,991	4,087	3,811	402	3,124	2,670	
1902.....	241,020	184,719	56,301		20,806	2,295	13,326	5,185	6,196	450		2,054	
1903.....	273,957	227,039	46,914		48,896	35,733	13,163						
1904.....	296,896	235,942	60,954	436	24,096	16,733	7,363						
1905.....	325,533	279,627	45,886	20	156,751	16,440	8,716	*131,595	2,504				

\* Vide notes, p. 239.

APPENDIX B—CONTINUED  
RECEIPTS

IX. Departmental Receipts.—Continued.									
YEAR.	3. Health Conservation and Sanitation.			4. Highways.				5. Charities and Correction.	
	Total.	Health Department.	Night Soli.	Total.	Streets.	Paving.	Lighting.	Bridges and Viaducts.	Total.
1871.	\$39	\$89	.....	\$91	.....	.....	.....	.....	\$3,639
1872.	16	16	.....	5,026	.....	.....	.....	.....	2,330
1872*.	.....	.....	.....	26,348	.....	.....	.....	.....	10,663
1873.	.....	.....	.....	291	.....	.....	.....	\$291	33,539
1874.	.....	.....	.....	18,044	.....	\$9,658	.....	.....	12,962
1875.	.....	.....	.....	11,220	.....	.....	619	.....	32,830
1876.	585	.....	.....	10,130	5,766	.....	812	46	8,104
1877.	8,706	327	.....	894	.....	386	433	75	4,807
1878.	7,680	.....	\$7,379	17,327	2,510	862	.....	12,015	23,010
1879.	6,010	.....	6,010	16,667	2,111	2,021	.....	12,535	12,535
1880.	284	.....	*	17,881	3,005	.....	.....	14,876	17,723
1881.	1,297	1,297	.....	3,456	2,571	.....	2	883	12,501
1882.	482	.....	.....	10,847	10,084	.....	11	752	30,144
1883.	126	126	.....	10,363	8,552	850	21	940	24,640
1884.	644	.....	.....	7,996	7,981	.....	15	.....	30,616
1885.	1,023	1,023	.....	13,331	12,317	542	19	453	41,024
1886.	41	41	.....	5,003	4,862	.....	141	.....	54,382
1887.	26,347	810	25,537	12,620	11,322	.....	7	1,191	37,913
1888.	24,944	1,319	23,625	13,151	12,968	.....	30	133	47,813
1889.	27,812	812	27,000	19,298	16,994	.....	18	1,407	136,008
1890.	28,368	1,368	27,000	15,736	13,361	.....	.....	2,375	125,798
1891.	32,211	4,761	27,450	12,499	7,689	.....	.....	4,810	44,092
1892.	32,624	1,175	31,349	24,562	22,450	.....	.....	2,112	57,479
1893.	31,675	172	31,503	21,036	15,425	2,493	.....	3,118	95,456
1894.	25,485	129	25,188	35,154	19,262	11,900	.....	3,962	63,777
1895.	22,901	186	22,815	11,032	4,814	1,615	.....	4,603	64,950
1896.	25,698	135	25,531	8,304	.....	4,167	884	3,253	81,953
1897.	20,771	152	20,619	10,499	.....	6,494	1,043	2,962	33,390
1898.	19,081	186	17,896	11,455	200	.....	1,222	3,103	45,055
1899.	15,042	258	14,764	18,122	1,166	11,651	2,803	2,502	27,690
1900.	19,985	299	19,686	21,161	1,947	14,587	1,425	3,202	56,381
1901.	20,096	335	19,761	16,818	5,334	.....	929	1,089	53,802
1902.	18,338	320	18,018	65,306	4,787	56,045	635	3,889	55,703
1903.	21,050	415	20,635	138,786	25,080	104,937	5,542	3,277	64,354
1904.	21,069	412	20,647	101,487	19,815	72,000	5,274	3,945	53,918
1905.	*81,823	423	20,492	132,124	.....	122,017	6,325	3,782	65,990

\* Vide notes, p. 239.

## APPENDICES

## IX. Departmental Receipts.—Continued.

YEAR.	6. Education.				7. Recre-ation.	8. Municipal Industries.													
	Schools.		Libraries.			Total.	Water Works.		Markets.										
	Tuition.	All Other.	Fines.	All Other.			"Rent."	All Other.											
1871.....	\$514					\$126,135	*\$80,457		\$27,949										
1872.....	610					131,205	90,243		22,165										
1872*.....						132,986	98,643		17,510										
1873.....	577					172,381	108,481		38,126										
1874.....	442					209,459	119,717	\$200	27,498										
1875.....	1,310					176,843	120,459		19,834										
1876.....	1,556	1,426				215,336	137,950	60	21,517										
1877.....	2,038	788				260,704	152,795	4,750	26,656										
1878.....	1,840	816				275,890	165,003		23,053										
1879.....	1,065	698	\$251			321,036	186,242		27,051										
1880.....	1,165	586	294	\$14	23	322,204	204,563		21,610										
1881.....	1,380	763	382	34		373,276	240,157		33,980										
1882.....	1,692	824	240	98		419,872	251,432		34,103										
1883.....	1,105	625	320	69	16	466,136	341,786		25,980										
1884.....	1,377	646	280	8		440,118	304,134		44,634										
1885.....			440	84	168	449,244	322,810		18,686										
1886.....	1,356	661	512	82		530,139	362,418		52,206										
1887.....	3,823	928	727	112		571,191	465,500		56,479										
1888.....	2,504	734	724	142	279	568,687	438,008		18,089										
1889.....	2,443	595	690	120	213	536,194	478,986		17,694										
1890.....			684	156	1,859	618,646	544,653		32,279										
1891.....	3,198	762	1,046	151	1,595	759,104	605,660		36,780										
1892.....	2,130	905	1,103	172	1,346	825,370	594,857		33,590										
1893.....	*24,817	3,470	1,324	152	1,339	701,432	575,582		48,585										
1894.....	*32,475	2,819	1,616	356	1,866	713,049	538,092		17,694										
1895.....	5,401	1,512	1,782	319	2,510	793,197	276,173		32,279										
1896.....	3,763	334	1,853	179	2,144	765,926	604,274		36,780										
1897.....	6,116	449	2,113	172	2,069	804,512	623,173		36,918										
1898.....	7,078	255	2,340	2,941	2,069	817,533	642,020		38,050										
1899.....	5,532	133	2,502	1,202	2,072	901,787	715,554		37,253										
1900.....	6,965	2,021	2,767	1,896	1,969	973,643	765,512		32,826										
1901.....	4,701	384	2,423	498	725	951,760	769,977		36,348										
1902.....	5,566	411	2,993	333		1,019,434	858,781		27,605										
1903.....	6,318	436	2,977	393		1,163,449	929,981		31,241										
1904.....	8,040	238	3,384	843	127	984,021	827,342		33,159										
1905.....	12,469	3,878	3,889	1,368	9,446	1,001,371	815,005		30,856										
									2,574										
									2,537										

\* Vide notes, p. 239.

# APPENDIX B—CONCLUDED RECEIPTS—CONCLUDED

## IX. Departmental Receipts.—Continued.

### 8. Municipal Industries.—Continued.

YEAR.	Cemeteries.		Manufactures in Work-house.	Products of Infirmary.	City Store Room.	Sale of School Books.	Receipts from Loans.				Trust Funds.	Deposits.	
	Sale of Lots.	All Other.					Total.	Bonds Sold, Par Value.	Premium on Bonds.	Notes Sold.			
1871.....	\$11,000	\$4,463					\$103,797	\$103,797					
1872.....	*16,269						234,329	200,000		\$34,329			
1873.....	15,792						750,000	750,000					
1874.....	*25,774						481,000	481,000					
1875.....	14,387	5,830	\$41,449				2,321,700	2,321,700					
			34,133				1,543,673	1,498,200	\$5,725	37,748			
1876.....	6,949	7,500	29,617				1,291,000	1,274,500	16,560				
1877.....	7,196	7,137	65,278				1,303,292	1,289,825	13,467				
1878.....	6,428	6,805	74,601				1,482,221	1,121,588		90,633			
1879.....	7,330	7,536	92,307				430,955	426,200		4,755			
1880.....	11,251	9,484	74,410				410,173	406,500		3,673			
1881.....	19,525	10,886	67,538				105,000	87,000		18,000			
1883.....	20,760	11,256	101,109				251,808	186,000	235	65,573			
1883.....	13,017	10,765	73,836				742,57	728,000	11,157	3,500			
1884.....	13,899	9,708	67,088				844,816	835,000		9,816			
1885.....	11,216	12,367	83,528				851,556	822,000	25,306	4,250			
1886.....	10,304	11,819	93,302				1,077,857	1,025,000	33,427	19,430			
1887.....	11,769	12,125	84,840				848,656	842,306		6,350			
1888.....	12,309	18,123	81,123				469,145	387,000	8,145	74,000			
1889.....	14,610	12,797	*				527,322	464,000	35,022	28,300			
1890.....	18,485	20,879	*				446,999	266,000	4,489	176,510			
1891.....	18,664	13,314	81,399				1,169,257	944,000	22,657	202,000			
1892.....	22,355	14,623	84,302				1,563,745	1,365,000	42,560	156,185			
1893.....	23,708	12,907	20,993				1,950,701	1,698,000	61,473	191,228			
1894.....	16,576	14,003	66,517	\$487	\$4,070	\$16,560	1,711,793	1,335,757	45,919	330,117			\$7,218
1895.....	18,266	14,058	91,798		5,978	22,604	1,127,082	654,000	23,448	449,634			3,130
							1,248,010	1,076,000	37,850	234,100			
1896.....	15,574	13,514	45,852	1,095	5,511	23,513	1,348,082	1,076,000	37,850	234,100			7,400
1897.....	13,816	12,994	46,556	1,686	5,473	24,204	2,486,540	2,482,000	144,580	210,960			5,961
1898.....	13,988	12,711	54,355	846	5,638	30,687	2,900,884	2,830,000	218,216	842,688			518
1899.....	17,969	18,205	43,620	679	6,167	30,877	2,305,458	1,627,873	135,555	542,080			1,573
1900.....	22,645	18,628	56,368	1,388	6,035	35,299	3,769,503	3,041,756	270,677	487,070			6,629
							2,174,104	1,267,852	99,742	806,510			6,742
1901.....	19,232	16,533	47,206	1,676	8,372	19,450	4,593,633	3,745,000	282,363	802,270			1,821
1902.....	18,394	17,483	28,493	2,493	9,739	42,087	4,373,402	3,577,393	282,363	802,270			5,898
1903.....	24,472	20,087	22,038	1,473	11,256	64,763	2,698,002	2,706,000	66,089	179,920			4,017
1904.....	21,115	18,645	36,611	757	13,139	37,409	2,968,002	2,706,000	50,352	151,650			8,898
1905.....	18,977	16,638	34,072	415	14,184	44,362	4,139,771	4,067,863	31,573	20,335			

## NOTES RELATING TO STATISTICS OF RECEIPTS.

- 1841-1851: In regard to Special Assessments, *cf. supra*, p. 88.
- 1856-1873: Cash on Hand cannot be determined exactly, chiefly because of constant overdrafts.
- 1862-1863: Receipts of Water Works are not reported in City Clerk's Report.
- 1865-1867: "Other Civil Divisions" contains receipts other than for schools.
- 1870: Earnings of Sinking Fund not reported.
- 1871: Water "Rent" and other receipts of the plant are not separated until 1892. Figures given are derived from the City Auditor's Reports.
- 1872: Covers a period of nine months. *Cf. supra*, p. 43.
- 1872-1879: No receipts from Street Railway Companies reported.
- 1872-1873: Cemetery receipts from sale of lots and other sources not distinguishable.
- 1873: Special Assessments. *Cf. supra*, p. 97 n. 1.
- 1876-1877: Special assessments reported with general tax levies.
- 1877: Total Amount of General Municipal Levies as given is probably too large; reports are inadequate.
- 1878-1891: Dog Tax. Receipts from Cigarette License begin in 1895.
- 1880-1886: Night Soil Receipts not reported.
- 1883-1889: Special Assessments included with General Property Taxes.
- 1889-1890: Receipts of House of Correction include income of manufacturing business.
- 1890: Total Receipts do not include school levy; data not available.
- 1893: "All Other" receipts of Schools includes \$18,867 returned to city by Cleveland Manual Training Company.
- 1893: Total Tax Levies—Previous to 1893 receipts from taxes collected by county officials are net; after 1893 their fees are included. *Cf. supra*, p. 461.
- 1894: "All Other" receipts of schools contain \$10,864 cash received from Brooklyn and West Cleveland districts annexed.
- 1905: "All Other" receipts of General Government accrued chiefly from annexed towns of Glenville and South Brooklyn.
- 1905: Total Receipts of Health Conservation and Sanitation contain \$60,908 from sale of by-products of garbage disposal plant.

# APPENDIX C DISBURSEMENTS

YEAR.*	Population.*	Aggregates.			I. Expenses of General Government.	II. Protection to Life and Property.	III. Health Conservation and Sanitation.		
		Total.*	Expenses.*	Outlays.*			Total.	Expenses.	Outlays.
1887.....		\$11,387	\$8,016	\$3,371	\$3,680	\$2,418			
1888.....		11,501	11,483		1,168	649	16	16	
1889.....		28,701	12,711	15,730	3,453	959	17	15	
1890.....	6,071								
1891.....	7,167	20,047	16,279	3,487	5,207	1,926	40	40	
1892.....	8,263	12,950	11,960	603	1,726	14	14	14	
1893.....	9,339	12,872	12,549		2,400	2,295	64	64	
1894.....	10,456	14,955	13,718	53	1,861	3,357	55	55	
1895.....	11,552	12,634	11,938	82	2,367	3,131	73	73	
1896.....	12,648	14,719	10,375	4,344	1,521	2,896	582	582	
1897.....	13,745	17,479	10,421	6,062	1,908	1,938	493	493	
1898.....	14,841	24,464	13,051	6,938	1,653	2,422	265	265	
1899.....	15,937	25,881	14,691	6,134	1,672	2,430	374	374	
1900.....	17,034	35,205	20,309	5,440	2,268	5,502	890	890	
1901.....	19,714								
1902.....	22,394	48,178	37,236	9,893	4,572	7,716	648	648	
1903.....	25,075	65,227	44,861	22,709	5,424	12,652	403	403	
1904.....	27,755	142,902	122,199	12,147	11,889	22,274	4,745	1,917	\$2,828
1905.....	30,436	247,798	183,819	47,130	15,176	40,763	2,534	2,534	
1906.....	33,116								
1907.....	35,796	230,311	124,201	61,581	31,439	23,407			
1908.....	38,477	213,555	125,681	42,703	30,660	24,165			
1909.....	41,157	264,711	162,907	56,788	57,723	25,308			
1910.....	43,838	195,017	128,387	16,079	16,931	25,324			
1911.....		263,987	158,579	53,185	16,386	27,082	681	541	140
1912.....	48,756	224,384	140,128	25,101	42,943	28,263	6,877		6,877
1913.....	53,674	343,574	233,208	45,589	*87,065	29,101	20,883		20,883
1914.....	58,592	288,386	169,189	22,171	22,538	32,376	20,409		19,830
1915.....	63,510	369,274	282,581	27,324	94,662	74,408	8,451		8,451
1916.....	68,428	486,569	311,553	98,074	*31,291	89,355	5,151		5,125
1917.....	73,346	614,315	430,050	121,383	70,677	82,167	47,796		47,796
1918.....	78,264	*889,583	527,599	297,722	99,324	120,122	85,412		82,598
1919.....	83,182	1,234,999	547,534	591,398	*107,002	120,722	61,969		58,310
1920.....	88,100	1,396,524	863,444	421,065	*254,813	169,239	110,586		106,914
1921.....	93,018	1,924,681	1,077,278	735,233	*38,557	182,736	182,397		172,164

\*Vide notes, pp. 254-255.

APPENDIX C—CONTINUED  
DISBURSEMENTS

YEAR.	IV. Highways.			V. Charities and Correction.			VI. Education.		
	Total.	Expenses.	Outlays.	Total.	Expenses.	Outlays.	Total.	Expenses.	Outlays.
1837.....	\$4,000	\$1,329	\$2,671	\$84	\$84	.....	\$326	.....	.....
1838.....	4,363	4,363	.....	1,712	1,712	.....	700	.....	.....
1839.....	3,695	3,695	.....	242	242	.....	3,575	.....	.....
1840.....	.....	.....	.....	.....	.....	.....	3,518	.....	\$13,800
1841.....	3,622	3,418	104	.....	.....	.....	8,090	5,077	3,016
1842.....	3,196	2,981	215	17	17	.....	5,045	4,680	365
1843.....	2,557	2,557	.....	.....	.....	.....	4,517	4,517	.....
1844.....	4,714	4,714	.....	10	10	.....	3,201	3,201	.....
1845.....	665	640	25	.....	.....	.....	5,089	5,089	.....
1846.....	3,633	525	3,108	.....	.....	.....	5,289	4,489	800
1847.....	5,527	301	5,226	.....	.....	.....	6,073	5,803	270
1848.....	6,436	887	5,549	257	257	.....	7,785	6,596	1,189
1849.....	6,832	648	5,984	226	226	.....	8,605	8,473	132
1850.....	6,367	927	5,440	1,238	1,238	.....	8,761	8,761	.....
1851.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1852.....	13,070	4,318	8,752	1,000	.....	\$1,000	19,013	19,013	.....
1853.....	22,220	3,701	18,519	3,133	1,246	1,885	20,844	20,844	.....
1854.....	52,404	49,957	2,537	17,608	12,487	5,121	21,696	21,273	423
1855.....	63,861	49,557	14,304	39,340	38,971	369	68,563	36,402	32,161
1856.....	17,645	9,185	8,460	48,558	18,178	30,380	64,196	41,455	22,741
1857.....	46,290	12,810	36,480	16,130	16,130	.....	45,745	40,685	4,060
1858.....	55,421	18,856	36,565	12,562	12,562	.....	42,963	42,963	7,662
1859.....	30,867	17,668	13,199	16,853	16,853	.....	43,996	41,116	2,880
1860.....	84,244	35,329	48,915	15,923	15,923	.....	54,976	50,346	4,130
1861.....	30,329	12,545	17,784	12,762	12,762	.....	31,513	31,083	430
1862.....	75,310	51,203	24,104	24,338	24,338	.....	39,170	39,170	602
1863.....	48,154	46,113	2,341	17,013	17,013	.....	47,207	47,207	.....
1864.....	35,927	35,927	.....	20,383	20,383	.....	51,687	42,061	9,626
1865.....	106,613	41,697	64,915	44,481	44,481	.....	81,694	81,069	625
1866.....	152,636	109,312	44,222	32,835	32,835	.....	101,117	101,117	.....
1867.....	370,100	200,172	178,928	32,181	32,181	.....	.....	.....	.....
1868.....	302,882	190,108	138,974	52,355	52,355	.....	289,979	128,688	161,291
1869.....	269,151	114,054	138,097	56,042	56,042	.....	336,735	198,722	138,013
1870.....	821,277	412,450	408,797	97,741	97,741	6,000	312,866	226,925	85,941

\* Vide notes, pp. 254-255.

# APPENDIX C—CONTINUED DISBURSEMENTS

YEAR.	VI. Education.—Continued.			VII. Re-creation: Parks.	VIII. Municipal Industries.			IX. Interest.	X. Public Indebtedness.
	Youth of School Age.	Average Daily Attendance.	Number of Teachers Employed.		Total.	Expenses.	Outlays.		
1837.....	2,132	240	8	.....	\$579	\$179	\$700	.....	16,718
1838.....	.....	.....	.....	.....	.....	.....	.....	18	1,726
1839.....	.....	.....	10	.....	2,669	829	1,870	260	3,238
1840.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1841.....	.....	.....	.....	.....	856	611	245	281	5,077
1842.....	.....	.....	.....	.....	392	369	23	387	1,282
1843.....	2,578	.....	.....	.....	716	716	.....	323	2,846
1844.....	2,950	.....	.....	.....	573	520	53	1,184	2,070
1845.....	3,177	.....	.....	.....	695	638	57	614	2,091
1846.....	3,455	936	15	.....	798	362	436	.....	477
1847.....	3,956	1,120	18	.....	1,544	978	566	996	10,361
1848.....	4,302	1,289	20	.....	971	971	.....	4,475	1,230
1849.....	4,773	1,259	22	\$68	868	868	.....	5,056	.....
1850.....	5,042	1,440	25	.....	723	723	.....	9,456	.....
1851.....	6,742	1,650	32	.....	.....	.....	.....	.....	.....
1852.....	8,426	.....	39	23	1,087	969	118	1,029	8,576
1853.....	12,076	.....	41	.....	2,896	501	2,395	1,657	5,451
1854.....	12,947	3,061	44	*1,759	1,881	1,802	79	8,556	13,680
1855.....	.....	3,311	60	296	416	416	.....	16,849	45,410
1856.....	12,998	3,410	68	.....	537	537	.....	44,529	3,245
1857.....	13,121	3,714	73	1,803	1,231	1,231	.....	45,171	14,972
1858.....	12,984	3,817	79	1,407	16,651	14,090	2,561	45,016	8,575
1859.....	13,370	3,930	82	384	10,111	10,111	.....	50,551	142,714
1860.....	14,309	.....	83	401	11,471	11,471	.....	52,223	10,438
1861.....	14,625	3,921	83	.....	12,532	12,532	.....	59,155	152,172
1862.....	15,477	.....	83	.....	2,328	2,328	.....	64,777	227,782
1863.....	16,577	.....	86	40	3,323	3,323	.....	97,026	182,890
1864.....	17,325	.....	92	539	24,357	15,140	9,247	59,369	282,443
1865.....	18,023	4,800	98	.....	50,504	23,065	27,409	76,942	125,067
1866.....	18,607	5,334	115	29,265	27,941	27,941	.....	63,932	59,361
1867.....	20,775	5,590	123	.....	94,661	61,933	32,728	67,608	116,955
1868.....	23,096	6,623	157	.....	114,023	74,200	39,823	99,613	125,172
1869.....	25,623	7,222	164	.....	104,943	72,902	32,041	119,021	46,255
1870.....	29,517	7,765	188	1,564	175,373	108,042	67,331	112,170	42,000

\* Vide notes, pp. 254-255.



APPENDIX C—CONTINUED  
DISBURSEMENTS

YEAR.	Population.*	Aggregates.			I. General Government.						
		Total.	Expenses.	Outlays.	Total.	Council and Leg- islative Offices.	Mayor and Ex- ecutive Offices.	Law Office.	Finance Offices.	Elec- tions.	Public Printing.
1871.....	99,730	\$1,526,007	\$771,353	\$605,584	\$121,521						
1872.....	106,442	2,008,932	1,139,038	703,062	280,941						
1872*.....	1,546,026	1,098,590	273,661		574,237						
1873.....	113,155	3,428,171	1,894,393	1,306,607	879,216						
1874.....	119,867	2,815,124	1,372,817	1,135,633	127,634						
1875.....	126,580	3,267,341	1,584,582	1,206,473	160,542						\$19,266
1876.....	133,292	2,847,399	1,413,725	1,094,918	147,273						
1877.....	140,004	2,330,179	1,306,435	663,140	142,279						
1878.....	146,717	3,585,429	1,417,615	1,769,008	135,985						
1879.....	153,429	1,913,958	1,162,261	355,758	127,333						
1880.....	160,142	1,817,508	1,234,511	202,953	128,018						
1881.....	170,263	2,025,163	1,285,679	346,094	137,017						
1882.....	180,384	2,626,654	1,346,645	908,914	128,203						
1883.....	190,505	2,833,526	1,416,375	1,035,279	151,550						
1884.....	200,626	3,190,017	1,531,377	1,271,322	147,448						
1885.....	210,747	3,243,845	1,628,127	1,218,385	154,870						
1886.....	220,869	3,089,236	1,668,824	982,219	168,549						
1887.....	230,990	3,486,008	1,873,151	1,165,427	183,248						
1888.....	241,111	3,746,449	2,034,936	1,264,651	197,503						
1889.....	251,232	3,594,297	2,259,361	887,824	245,000						
1890.....	261,353	*3,527,243	1,743,259	1,373,091	293,181						
1891.....	273,394	4,723,552	2,467,463	1,703,897	263,079						*12,354
1892.....	285,436	4,208,907	2,676,113	1,112,507	317,705						*15,062
1893.....	297,477	4,980,636	2,727,597	1,797,613	214,392	\$25,204	\$38,569	\$13,873	\$42,334	\$14,459	9,454
1894.....	309,519	6,089,921	3,177,020	2,437,116	279,829	19,186	41,911	9,748	91,492	16,742	4,708
1895.....	321,560	5,647,303	3,287,865	1,878,370	288,752	19,256	41,451	9,981	99,312	17,805	4,248
1896.....	333,602	4,723,552	3,250,976	1,375,432	283,339	21,722	41,043	10,015	82,825	19,826	8,176
1897.....	345,643	6,654,801	3,417,513	2,754,569	300,295	21,787	41,282	10,003	92,813	19,555	11,303
1898.....	357,685	6,629,536	3,500,949	2,637,235	302,328	19,761	40,290	11,215	91,631	20,856	13,663
1899.....	369,726	7,236,068	3,806,057	2,853,832	310,829	19,865	47,998	11,705	95,165	22,191	9,481
1900.....	381,768	7,729,030	4,068,786	3,043,950	317,644	18,859	44,749	11,824	107,124	22,151	8,337
1901.....	392,400	8,410,161	4,489,579	3,269,911	361,876	18,323	52,071	14,020	109,086	22,346	10,226
1902.....	403,032	9,692,059	4,782,846	4,192,207	420,001	18,206	48,353	12,929	197,605	23,693	11,449
1903.....	414,950	10,179,970	5,198,239	4,137,771	459,232	30,717	49,805	18,504	190,007	23,457	22,517
1904.....	425,632	10,287,336	5,486,546	3,935,480	509,082	41,119	38,520	26,883	*184,985	*39,783	43,265
1905.....	436,314	11,423,016	6,016,667	4,437,338	579,714	57,323	43,079	34,780	*209,914	*32,583	34,905

\* Vide notes, pp. 254-255.

# APPENDIX C—CONTINUED DISBURSEMENTS

YEAR.	I. General Government.—Continued.				II. Protection to Life and Property.		
	Public Buildings and Grounds.		Courts.	Costs of Court and Judgments.	Miscellaneous Expense.	Aggregates.	
	Expenses.	Outlays.				Total.	Expenses.
1871.....			\$8,451		\$113,070	\$174,467	
1872.....			12,562		208,379	228,278	
1873.....			24,836		105,344	224,468	
1874.....			25,831		120,374	386,670	\$11,606
1875.....	\$2,500	\$80,897	18,716		108,918	324,832	301,107
			18,522	1,883	21,481	345,926	314,656
1876.....			9,096		138,177	302,771	289,050
1877.....		56,872	11,275		131,984	297,907	297,237
1878.....			9,382		123,194	305,104	4,670
1879.....	7,405		9,061	3,409	106,564	297,670	280,170
1880.....	7,917		10,347	2,473	107,281	301,258	4,886
1881.....	7,114		10,918	2,439	116,546	284,453	281,273
1882.....	11,546		12,837	1,253	102,208	326,137	306,611
1883.....	12,173	359	12,410	3,589	123,408	330,467	19,526
1884.....	1,365		11,027		134,044	403,115	2,968
1885.....		2,608	12,804	1,275	137,211	422,632	380,809
1886.....			12,328	1,385	153,829	419,184	337,841
1887.....			19,019	1,400	154,795	465,819	388,676
1888.....			14,089	14,401	169,774	495,763	463,319
1889.....			*30,293		203,420	584,629	495,763
1890.....			24,572		267,455	391,575	563,785
							8,500
1891.....			23,879		230,745	601,675	581,480
1892.....			25,005		275,851	635,199	622,973
1893.....			52,438		15,002	683,308	58,996
1894.....	56,654		35,967	1,555	742,394	874,578	183,046
1895.....	56,806	323	34,360	1,452	1,067,624	852,215	35,331
1896.....	55,788		34,688	3,898	857,546	850,882	27,541
1897.....	57,232	494	36,809	3,055	578,423	883,392	7,510
1898.....	53,632		34,079	4,822	890,902	883,392	13,273
1899.....	55,113		35,896	13,628	909,735	896,462	7,608
1900.....	50,817		47,688	6,065	939,979	932,471	35,951
					998,146	962,195	
1901.....	62,940	1,515	42,280	7,772	22,803	1,157,354	1,068,285
1902.....	50,150	405,537	41,718	6,733	1,085,149	1,085,149	20,323
1903.....	65,341		32,415	14,255	2,184	1,203,223	1,198,942
1904.....	64,711	229,596	34,659	13,968	21,138	1,249,641	1,230,581
1905.....	62,338	89,029	37,186	19,972	47,634	1,344,235	1,324,138
		282,815					20,097

\*Vide notes, pp. 254-255.

APPENDICES

YEAR.	Protection to Life and Property.—Continued.					III. Health Conservation and Sanitation.		
	Police.		Armory.	Fire.		Inspection Department.	Aggregates.	
	Expenses.	Outlays.		Expenses.	Outlays.		Total.	Expenses.
1871.....	\$77,287	.....	.....	\$97,180	.....	.....	\$86,406	\$8,774
1872.....	99,715	.....	.....	128,563	.....	.....	173,855	56,116
1873.....	91,437	.....	.....	133,031	.....	.....	39,925	.....
1874.....	188,324	.....	.....	216,650	11,696	.....	140,744	15,720
1875.....	162,840	.....	.....	138,267	23,725	.....	483,471	80,070
1876.....	169,022	.....	.....	140,706	30,271	.....	36,604	19,560
1877.....	152,896	.....	.....	136,154	13,721	.....	101,645	16,168
1878.....	145,881	.....	.....	151,356	4,070	.....	21,426	36,263
1879.....	145,135	.....	.....	144,035	15,934	.....	36,017	9,413
1880.....	131,712	.....	.....	146,906	4,886	.....	32,288	26,181
1881.....	138,340	\$971	.....	143,917	4,569	.....	30,602	21,313
1882.....	134,002	.....	1,738	145,533	3,180	.....	58,526	42,363
1883.....	148,589	13,412	3,335	154,987	6,114	.....	81,189	46,716
1884.....	163,401	.....	150	163,958	2,958	.....	173,546	52,114
1885.....	199,765	3,483	.....	181,134	18,733	.....	141,479	35,359
1886.....	194,186	.....	.....	203,655	24,791	.....	119,032	33,917
1887.....	193,757	.....	.....	194,919	30,488	.....	158,497	44,301
1888.....	239,552	2,500	.....	221,300	.....	.....	219,378	62,293
1889.....	256,286	.....	.....	239,477	.....	.....	189,617	79,377
1890.....	302,196	8,428	.....	261,589	12,413	.....	262,084	96,883
1891.....	316,885	.....	.....	266,190	8,500	.....	390,084	89,788
1892.....	294,628	20,195	.....	286,852	.....	.....	547,128	90,052
1893.....	312,497	19,332	.....	310,478	10,892	.....	337,789	90,797
1894.....	336,965	35,683	.....	346,403	23,308	.....	416,451	99,179
1895.....	379,108	113,590	1,527	492,637	69,456	.....	336,458	104,247
1896.....	372,398	15,797	2,660	474,356	19,534	1,471	243,933	113,796
1897.....	392,217	25,240	3,420	452,164	2,301	3,081	332,894	130,991
1898.....	414,400	910	3,420	461,550	6,600	2,762	584,123	124,086
1899.....	430,553	507	3,420	468,208	12,766	4,221	804,947	153,149
1900.....	434,455	389	3,420	502,553	7,119	2,043	938,607	232,754
1901.....	438,935	15,497	1,515	521,562	20,454	183	876,309	208,825
1902.....	462,141	59,625	1,463	604,361	29,444	320	1,125,013	378,658
1903.....	426,104	19,306	.....	636,932	1,527	1,190	1,517,122	459,288
1904.....	526,710	2,634	.....	670,235	1,647	1,967	1,789,818	371,553
1905.....	576,354	2,630	.....	637,769	18,540	16,488	1,443,945	329,645
1906.....	631,722	11,708	.....	654,551	8,389	27,863	1,468,736	452,180
1907.....	.....	.....	.....	.....	.....	.....	.....	.....
1908.....	.....	.....	.....	.....	.....	.....	.....	.....
1909.....	.....	.....	.....	.....	.....	.....	.....	.....
1910.....	.....	.....	.....	.....	.....	.....	.....	.....
1911.....	.....	.....	.....	.....	.....	.....	.....	.....
1912.....	.....	.....	.....	.....	.....	.....	.....	.....
1913.....	.....	.....	.....	.....	.....	.....	.....	.....
1914.....	.....	.....	.....	.....	.....	.....	.....	.....
1915.....	.....	.....	.....	.....	.....	.....	.....	.....
1916.....	.....	.....	.....	.....	.....	.....	.....	.....
1917.....	.....	.....	.....	.....	.....	.....	.....	.....
1918.....	.....	.....	.....	.....	.....	.....	.....	.....
1919.....	.....	.....	.....	.....	.....	.....	.....	.....
1920.....	.....	.....	.....	.....	.....	.....	.....	.....
1921.....	.....	.....	.....	.....	.....	.....	.....	.....
1922.....	.....	.....	.....	.....	.....	.....	.....	.....
1923.....	.....	.....	.....	.....	.....	.....	.....	.....
1924.....	.....	.....	.....	.....	.....	.....	.....	.....
1925.....	.....	.....	.....	.....	.....	.....	.....	.....
1926.....	.....	.....	.....	.....	.....	.....	.....	.....
1927.....	.....	.....	.....	.....	.....	.....	.....	.....
1928.....	.....	.....	.....	.....	.....	.....	.....	.....
1929.....	.....	.....	.....	.....	.....	.....	.....	.....
1930.....	.....	.....	.....	.....	.....	.....	.....	.....
1931.....	.....	.....	.....	.....	.....	.....	.....	.....
1932.....	.....	.....	.....	.....	.....	.....	.....	.....
1933.....	.....	.....	.....	.....	.....	.....	.....	.....
1934.....	.....	.....	.....	.....	.....	.....	.....	.....
1935.....	.....	.....	.....	.....	.....	.....	.....	.....
1936.....	.....	.....	.....	.....	.....	.....	.....	.....
1937.....	.....	.....	.....	.....	.....	.....	.....	.....
1938.....	.....	.....	.....	.....	.....	.....	.....	.....
1939.....	.....	.....	.....	.....	.....	.....	.....	.....
1940.....	.....	.....	.....	.....	.....	.....	.....	.....
1941.....	.....	.....	.....	.....	.....	.....	.....	.....
1942.....	.....	.....	.....	.....	.....	.....	.....	.....
1943.....	.....	.....	.....	.....	.....	.....	.....	.....
1944.....	.....	.....	.....	.....	.....	.....	.....	.....
1945.....	.....	.....	.....	.....	.....	.....	.....	.....
1946.....	.....	.....	.....	.....	.....	.....	.....	.....
1947.....	.....	.....	.....	.....	.....	.....	.....	.....
1948.....	.....	.....	.....	.....	.....	.....	.....	.....
1949.....	.....	.....	.....	.....	.....	.....	.....	.....
1950.....	.....	.....	.....	.....	.....	.....	.....	.....
1951.....	.....	.....	.....	.....	.....	.....	.....	.....
1952.....	.....	.....	.....	.....	.....	.....	.....	.....
1953.....	.....	.....	.....	.....	.....	.....	.....	.....
1954.....	.....	.....	.....	.....	.....	.....	.....	.....
1955.....	.....	.....	.....	.....	.....	.....	.....	.....
1956.....	.....	.....	.....	.....	.....	.....	.....	.....
1957.....	.....	.....	.....	.....	.....	.....	.....	.....
1958.....	.....	.....	.....	.....	.....	.....	.....	.....
1959.....	.....	.....	.....	.....	.....	.....	.....	.....
1960.....	.....	.....	.....	.....	.....	.....	.....	.....
1961.....	.....	.....	.....	.....	.....	.....	.....	.....
1962.....	.....	.....	.....	.....	.....	.....	.....	.....
1963.....	.....	.....	.....	.....	.....	.....	.....	.....
1964.....	.....	.....	.....	.....	.....	.....	.....	.....
1965.....	.....	.....	.....	.....	.....	.....	.....	.....

\*Vide notes pp. 254-255.

# APPENDIX C—CONTINUED DISBURSEMENTS

## III. Health Conservation and Sanitation.—Continued.

YEAR.	Health Department.	Night Soil.	Sewers and Sewage Disposal.		Street Cleaning.	Garbage Collection and Disposal.	Sewer and Water Connections.
			Expenses.	Outlays.			
1871.	\$1,057	.....	\$7,717	\$77,722	.....	.....	.....
1872.	8,553	.....	.....	117,709	\$47,563	.....	.....
1873*.	.....	.....	.....	39,925	.....	.....	.....
1874.	*15,730	.....	.....	125,024	.....	.....	.....
1875.	25,036	.....	55,634	412,801	.....	.....	.....
1876.	15,549	.....	.....	17,044	28	\$3,987	.....
1877.	16,168	.....	.....	85,477	.....	.....	.....
1878.	14,106	\$7,330	.....	36,263	.....	.....	.....
1879.	12,414	7,628	.....	9,413	16,575	.....	.....
1880.	12,037	5,978	.....	6,107	8,166	.....	.....
1881.	7,537	*	.....	9,289	13,326	450	.....
1882.	14,140	.....	.....	16,163	26,319	1,904	.....
1883.	17,832	.....	.....	34,473	26,337	2,497	.....
1884.	16,444	.....	.....	121,432	20,467	6,203	.....
1885.	16,672	.....	.....	106,120	10,948	7,739	.....
1886.	14,509	.....	.....	85,015	12,663	6,845	.....
1887.	20,950	.....	.....	114,196	17,094	6,257	.....
1888.	11,477	25,537	.....	157,085	23,039	2,210	.....
1889.	29,114	23,624	.....	110,240	24,558	2,080	.....
1890.	34,461	27,000	.....	165,201	33,342	2,080	.....
1891.	34,518	27,000	.....	300,510	26,190	2,080	.....
1892.	29,110	27,450	.....	457,076	32,252	1,240	.....
1893.	38,875	30,712	.....	266,992	19,931	1,279	.....
1894.	34,403	33,590	.....	317,272	29,477	1,709	.....
1895.	35,923	24,879	12,408	251,301	29,409	1,628	\$910
1896.	37,160	21,328	22,476	127,785	31,271	1,561	2,402
1897.	37,826	27,085	29,887	199,904	33,925	2,268	1,999
1898.	38,061	20,618	22,148	459,539	41,559	1,700	4,498
1899.	40,397	17,287	32,259	647,036	61,751	1,455	4,762
1900.	62,910	14,387	27,200	697,419	73,230	8,434	73,230
1901.	37,945	19,279	32,189	655,842	50,012	69,400	11,642
1902.	*124,105	19,363	50,134	709,624	125,980	83,113	12,664
1903.	202,956	17,638	50,129	1,032,871	119,165	69,400	24,963
1904.	75,299	19,566	52,563	1,404,730	150,121	71,846	13,235
1905.	52,335	24,904	41,136	1,090,689	147,785	63,395	14,611
1906.	87,691	19,250	38,435	830,737	191,596	*273,850	27,177

\* Vide notes, pp. 354-255.

## DISBURSEMENTS

## APPENDICES

## IV. Highways.

YEAR.	Aggregates.		General Administration.	General Street Expenditures.		Paving.	Sidewalk Construction.	Street Lighting.	Street Signs.
	Total.	Expenses.		Outlays.	Expenses.				
1871.....	\$519,730	*\$212,715	\$8,398	\$307,015	\$71,703	\$204,988		\$59,414	
1872.....	663,705	262,887	11,678	401,818	45,851	37,834		98,613	
1873.....	404,012	233,736		233,736	67,533	280,998		73,657	
1874.....	*303,446	333,995	21,318	232,451	93,578	469,877		112,524	
1875.....	814,253	277,716		566,537	92,256			109,834	
	*1,670,829	342,992	29,143	1,033,837	93,626	525,758	\$17,601	122,193	
1876.....	*1,008,955	345,212		603,743	99,074			125,475	
1877.....	738,214	327,127		457,087	65,899			94,907	
1878.....	1,928,762	327,887		1,600,875	117,801			131,303	
1879.....	182,239	370,339		185,119	55,844			86,211	
1880.....	210,900	196,050		14,450	47,089			90,385	
1881.....	286,044	228,243		57,801	44,933	18,170		91,781	
1882.....	675,999	227,732	13,235	447,867	48,238	441,465		100,162	
1883.....	589,167	233,005		356,162	54,350	275,441		108,010	
1884.....	505,581	269,911		236,470	76,576	216,617		109,927	
1885.....	612,151	270,199		341,952	94,754	152,350		111,707	
1886.....	829,134	257,267		571,867	63,382	132,713		123,619	
1887.....	915,228	267,337		647,891	78,671	236,349		126,738	
1888.....	*878,078	304,884		573,194	78,332	252,117		159,780	
1889.....	638,928	355,142		283,786	101,919	167,845		164,575	
1890.....	870,820	339,858		530,962	104,332	467,637		156,018	
1891.....	979,254	359,639		619,615	166,055	553,183		121,586	
1892.....	777,157	433,972		343,185	104,505	217,202		*241,182	
1893.....	1,339,813	420,647		919,166	109,556	862,219	2,388	199,723	
1894.....	1,288,908	484,863	56,229	380,529	148,891	482,847		200,257	
1895.....	1,281,533	477,488	60,046	804,045	94,945	670,157	885	229,289	
1896.....	856,931	496,216		360,715	91,538	217,845		225,618	
1897.....	1,411,078	497,855	63,083	913,225	88,338	592,632		235,326	\$4,517
1898.....	1,211,726	478,029	65,948	733,697	93,350	593,018		210,432	
1899.....	1,439,154	524,016	70,001	915,138	84,348	*406,160		230,929	500
1900.....	1,355,645	541,080	69,012	814,565	90,916	*432,610	1,559	238,618	
1901.....	1,359,249	598,197	78,178	761,052	116,622	*530,831	4,307	259,228	
1902.....	1,442,681	540,675	83,008	902,006	87,130	697,384	13,588	239,040	948
1903.....	1,380,565	597,143	83,098	791,422	107,322	687,784	17,713	271,648	7,218
1904.....	1,667,207	657,687	86,256	1,009,520	124,355	804,408	12,493	*286,531	1,860
1905.....	2,273,200	708,205	90,429	1,564,995	161,186	936,698	25,211	266,208	7,691

\*Vide notes, pp. 254-255

# APPENDIX C—CONTINUED DISBURSEMENTS

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## APPENDICES

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YEAR.	IV. Highways.—Continued.				V. Charities and Correction.			
	River and Harbor.		Bridges and Viaducts.		Abolition of Grade Crossings.		General Administration.	
	Expenses.	Outlays.	Expenses.	Outlays.	Expenses.	Outlays.		
1871.	\$28,046	.....	\$26,966	.....	.....	.....	.....	
1872.	6,572	.....	77,118	.....	.....	.....	.....	
1873*.	44,652	.....	21,907	\$82,046	.....	\$31,972	.....	
1874.	14,745	.....	67,522	32,574	.....	67,052	.....	
1875.	20,749	\$23,289	24,188	.....	.....	40,178	.....	
1876.	22,144	5,326	24,816	623,492	.....	91,815	.....	
1877.	96,478	108,457	24,185	343,285	.....	80,573	.....	
1878.	86,635	1,754	33,685	.....	.....	135,293	.....	
1879.	40,425	.....	358,762	.....	.....	136,199	.....	
1880.	13,161	.....	38,358	562,863	.....	92,999	.....	
1881.	20,728	.....	30,004	179,528	.....	110,889	.....	
1882.	56,767	.....	37,848	2,081	.....	137,777	.....	
1883.	31,975	.....	34,762	762	.....	152,021	.....	
1884.	34,047	.....	34,122	6,372	.....	69,674	.....	
1885.	38,544	.....	36,598	73,376	.....	85,382	.....	
1886.	26,001	.....	44,864	9,624	.....	74,808	.....	
1887.	24,195	.....	37,737	149,292	.....	94,620	.....	
1888.	15,710	.....	46,071	373,291	.....	69,591	.....	
1889.	23,725	.....	46,218	346,131	.....	85,504	.....	
1890.	33,544	.....	43,047	257,827	.....	90,746	.....	
1891.	26,628	.....	55,104	42,641	.....	135,193	.....	
1892.	16,179	.....	52,880	.....	.....	149,281	.....	
1893.	25,168	.....	55,839	13,323	.....	102,387	.....	
1894.	24,758	.....	63,117	91,768	.....	217,052	.....	
1895.	18,803	.....	86,610	31,101	.....	135,752	.....	
1896.	25,057	.....	68,151	116,423	.....	176,599	.....	
1897.	41,485	30,133	74,492	87,258	.....	181,417	.....	
1898.	27,178	459,600	84,677	59,212	.....	185,234	.....	
1899.	27,311	7,254	80,988	127,067	.....	178,706	.....	
1900.	31,133	143,723	93,322	129,899	.....	149,883	.....	
1901.	25,624	212,870	104,486	125,869	.....	162,486	.....	
1902.	33,563	96,921	89,468	119,382	.....	184,406	.....	
1903.	27,420	86,870	103,877	102,591	.....	149,083	.....	
1904.	26,726	54,939	97,439	53,554	.....	24,205	.....	
1905.	43,616	58,439	116,759	24,844	.....	162,486	.....	
1906.	58,744	133,925	131,638	106,827	.....	33,648	.....	
1907.	.....	.....	.....	.....	.....	14,387	.....	
1908.	.....	.....	.....	.....	.....	8,743	.....	
1909.	.....	.....	.....	.....	.....	1,562	.....	
1910.	.....	.....	.....	.....	.....	5,580	.....	
1911.	.....	.....	.....	.....	.....	1,226	.....	
1912.	.....	.....	.....	.....	.....	1,185	.....	
1913.	.....	.....	.....	.....	.....	1,443	.....	
1914.	.....	.....	.....	.....	.....	1,535	.....	
1915.	.....	.....	.....	.....	.....	1,462	.....	
1916.	.....	.....	.....	.....	.....	1,254	.....	
1917.	.....	.....	.....	.....	.....	\$1,254	.....	
1918.	.....	.....	.....	.....	.....	1,455	.....	
1919.	.....	.....	.....	.....	.....	1,462	.....	
1920.	.....	.....	.....	.....	.....	1,268	.....	
1921.	.....	.....	.....	.....	.....	800	.....	
1922.	.....	.....	.....	.....	.....	24,205	.....	
1923.	.....	.....	.....	.....	.....	162,486	.....	
1924.	.....	.....	.....	.....	.....	33,648	.....	
1925.	.....	.....	.....	.....	.....	100,417	.....	
1926.	.....	.....	.....	.....	.....	186,155	.....	
1927.	.....	.....	.....	.....	.....	200,542	.....	
1928.	.....	.....	.....	.....	.....	184,406	.....	
1929.	.....	.....	.....	.....	.....	193,149	.....	
1930.	.....	.....	.....	.....	.....	201,867	.....	
1931.	.....	.....	.....	.....	.....	207,461	.....	
1932.	.....	.....	.....	.....	.....	202,401	.....	
1933.	.....	.....	.....	.....	.....	218,658	.....	
1934.	.....	.....	.....	.....	.....	29,404	.....	
1935.	.....	.....	.....	.....	.....	269,226	.....	
1936.	.....	.....	.....	.....	.....	165,403	.....	
1937.	.....	.....	.....	.....	.....	100,222	.....	
1938.	.....	.....	.....	.....	.....	.....	.....	
1939.	.....	.....	.....	.....	.....	.....	.....	
1940.	.....	.....	.....	.....	.....	.....	.....	
1941.	.....	.....	.....	.....	.....	.....	.....	
1942.	.....	.....	.....	.....	.....	.....	.....	
1943.	.....	.....	.....	.....	.....	.....	.....	
1944.	.....	.....	.....	.....	.....	.....	.....	
1945.	.....	.....	.....	.....	.....	.....	.....	
1946.	.....	.....	.....	.....	.....	.....	.....	
1947.	.....	.....	.....	.....	.....	.....	.....	
1948.	.....	.....	.....	.....	.....	.....	.....	
1949.	.....	.....	.....	.....	.....	.....	.....	
1950.	.....	.....	.....	.....	.....	.....	.....	
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1952.	.....	.....	.....	.....	.....	.....	.....	
1953.	.....	.....	.....	.....	.....	.....	.....	
1954.	.....	.....	.....	.....	.....	.....	.....	
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1962.	.....	.....	.....	.....	.....	.....	.....	
1963.	.....	.....	.....	.....	.....	.....	.....	
1964.	.....	.....	.....	.....	.....	.....	.....	
1965.	.....	.....	.....	.....	.....	.....	.....	
1966.	.....	.....	.....	.....	.....	.....	.....	
1967.	.....	.....	.....	.....	.....	.....	.....	
1968.	.....	.....	.....	.....	.....	.....	.....	
1969.	.....	.....	.....	.....	.....	.....	.....	
1970.	.....	.....	.....	.....	.....	.....	.....	
1971.	.....	.....	.....	.....	.....	.....	.....	
1972.	.....	.....	.....	.....	.....	.....	.....	
1973.	.....	.....	.....	.....	.....	.....	.....	
1974.	.....	.....	.....	.....	.....	.....	.....	
1975.	.....	.....	.....	.....	.....	.....	.....	
1976.	.....	.....	.....	.....	.....	.....	.....	
1977.	.....	.....	.....	.....	.....	.....	.....	
1978.	.....	.....	.....	.....	.....	.....	.....	
1979.	.....	.....	.....	.....	.....	.....	.....	
1980.	.....	.....	.....	.....	.....	.....	.....	
1981.	.....	.....	.....	.....	.....	.....	.....	
1982.	.....	.....	.....	.....	.....	.....	.....	
1983.	.....	.....	.....	.....	.....	.....	.....	
1984.	.....	.....	.....	.....	.....	.....	.....	
1985.	.....	.....	.....	.....	.....	.....	.....	
1986.	.....	.....	.....	.....	.....	.....	.....	
1987.	.....	.....	.....	.....	.....	.....	.....	
1988.	.....	.....	.....	.....	.....	.....	.....	
1989.	.....	.....	.....	.....	.....	.....	.....	
1990.	.....	.....	.....	.....	.....	.....	.....	
1991.	.....	.....	.....	.....	.....	.....	.....	
1992.	.....	.....	.....	.....	.....	.....	.....	
1993.	.....	.....	.....	.....	.....	.....	.....	
1994.	.....	.....	.....	.....	.....	.....	.....	
1995.	.....	.....	.....	.....	.....	.....	.....	
1996.	.....	.....	.....	.....	.....	.....	.....	
1997.	.....	.....	.....	.....	.....	.....	.....	
1998.	.....	.....	.....	.....	.....	.....	.....	
1999.	.....	.....	.....	.....	.....	.....	.....	
2000.	.....	.....	.....	.....	.....	.....	.....	
2001.	.....	.....	.....	.....	.....	.....	.....	
2002.	.....	.....	.....	.....	.....	.....	.....	
2003.	.....	.....	.....	.....	.....	.....	.....	
2004.	.....	.....	.....	.....	.....	.....	.....	
2005.	.....	.....	.....	.....	.....	.....	.....	
2006.	.....	.....	.....	.....	.....	.....	.....	
2007.	.....	.....	.....	.....	.....	.....	.....	
2008.	.....	.....	.....	.....	.....	.....	.....	
2009.	.....	.....	.....	.....	.....	.....	.....	
2010.	.....	.....	.....	.....	.....	.....	.....	
2011.	.....	.....	.....	.....	.....	.....	.....	
2012.	.....	.....	.....	.....	.....	.....	.....	
2013.	.....	.....	.....	.....	.....	.....	.....	
2014.	.....	.....	.....	.....	.....	.....	.....	
2015.	.....	.....	.....	.....	.....	.....	.....	
2016.	.....	.....	.....	.....	.....	.....	.....	
2017.	.....	.....	.....	.....	.....	.....	.....	
2018.	.....	.....	.....	.....	.....	.....	.....	
2019.	.....	.....	.....	.....	.....	.....	.....	
2020.	.....	.....	.....	.....	.....	.....	.....	
2021.	.....	.....	.....	.....	.....	.....	.....	
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2025.	.....	.....	.....	.....	.....	.....	.....	
2026.	.....	.....	.....	.....	.....	.....	.....	
2027.	.....	.....	.....	.....	.....	.....	.....	
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2047.	.....	.....	.....	.....	.....	.....	.....	
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2050.	.....	.....	.....	.....	.....	.....	.....	
2051.	.....	.....	.....	.....	.....	.....	.....	
2052.	.....	.....	.....	.....	.....	.....	.....	
2053.	.....	.....	.....	.....	.....	.....	.....	
2054.	.....	.....	.....	.....	.....	.....	.....	
2055.	.....	.....	.....	.....	.....	.....	.....	
2056.	.....	.....	.....	.....	.....	.....	.....	
2057.	.....	.....	.....	.....	.....	.....	.....	
2058.	.....							



# APPENDIX C—CONTINUED DISBURSEMENTS

## VI. Education.

YEAR.	Aggregates.			Schools.					
	Total.	Expenses.	Outlays.	Total.	General Expenses.	Teachers' Salaries.	Land.	Buildings.	Furniture and Fixtures.
1871.	\$203,547	\$172,963	\$30,584	\$193,416	\$37,514	\$130,506	\$300	\$24,438	\$658
1872.	217,452	183,044	24,408	207,644	47,067	135,615	5,130	15,295	4,539
1873.*									
1873.	242,024	227,502	14,522	229,032	50,671	164,756	2,042	7,617	3,946
1874.	394,415	261,757	132,658	352,863	59,194	190,200	49,933	78,616	4,920
1875.	369,953	325,528	44,425	354,771	77,939	228,149	4,302	36,146	8,237
1876.									
1876.	419,469	336,299	83,170	400,352	74,228	241,968	17,030	58,077	9,049
1877.	399,045	324,878	74,167	382,800	52,269	256,320	15,542	50,505	8,164
1878.	389,965	319,612	70,383	383,469	53,906	258,321	22,210	46,698	2,364
1879.	380,486	333,439	57,047	380,807	66,876	251,051	13,584	41,877	7,419
1880.	385,622	346,707	38,915	373,314	62,626	270,778	1,410	32,716	5,774
1881.									
1881.	447,523	378,595	68,928	429,695	70,469	291,998	6,774	55,987	4,467
1882.	470,599	401,623	68,976	439,280	80,932	305,674	39,362	9,881	5,431
1883.	505,289	395,169	110,120	439,701	64,892	315,707	34,199	72,966	1,937
1884.	688,703	439,339	249,364	670,651	83,855	331,163	17,708	225,168	12,097
1885.	707,174	487,626	219,548	688,117	92,069	364,194	13,324	202,044	15,846
1886.									
1886.	538,715	512,248	26,467	518,324	100,825	389,429	6,350	15,164	6,566
1887.	608,649	551,844	56,805	586,697	115,190	416,069	25,468	27,716	2,254
1888.	812,504	619,770	192,734	793,150	137,979	437,477	20,208	170,065	27,431
1889.	673,130	634,325	38,805	650,664	133,007	473,343	19,581	14,892	9,841
1890.	*36,076								
1891.									
1891.	1,045,843	763,721	282,122	1,022,294	176,722	537,132	22,610	254,515	31,315
1892.	953,053	767,882	185,171	924,828	176,797	556,714		177,528	13,789
1893.	943,401	792,939	150,462	906,285	164,965	583,790	20,890	120,630	16,070
1894.	1,047,137	884,399	162,738	1,003,305	192,057	634,534	22,100	129,184	25,430
1895.	1,152,057	979,427	172,630	1,103,149	209,098	712,998	26,074	137,492	17,487
1896.									
1896.	1,136,130	984,020	152,793	1,083,548	179,931	749,995		142,966	10,681
1897.	1,177,640	1,053,525	124,115	1,102,273	206,790	779,178	2,001	103,882	10,422
1898.	1,286,463	1,131,063	155,400	1,199,281	201,871	839,197	42,301	99,675	16,224
1899.	1,292,109	1,136,115	155,994	1,229,738	199,544	863,077	40,689	112,200	14,234
1900.	1,611,329	1,266,809	344,520	1,492,539	225,209	934,597	8,691	314,149	9,893
1901.									
1901.	1,954,707	1,381,863	572,844	1,834,490	282,810	995,494	83,724	443,234	29,228
1902.	1,923,254	1,388,721	538,721	1,802,577	313,612	1,147,981	6,700	504,656	29,628
1903.	2,464,963	1,798,107	666,566	2,282,836	457,015	1,206,070	94,128	491,461	34,162
1904.	2,610,735	1,851,320	759,465	2,374,194	392,825	1,307,306	53,614	589,693	30,756
1905.	2,504,259	1,998,818	545,441	2,226,653	423,750	1,365,626	25,119	372,065	40,093



## DISBURSEMENTS

## VI. Education.—Continued.

YEAR.	Schools.—Continued			Libraries.					
	Youth of School Age.	Average Daily Attendance.	No. of Teachers Employed.	Total.	Salaries.	All Other Expense.	Books.	Land and Buildings.	Volumes in Library.
1871.	31,500	8,174	188	\$10,131	\$2,500	\$1,785	\$5,846		10,311
1872.	34,437	8,581	208	9,808	3,999	1,826	3,983		12,756
1873.	36,652	9,676	235	12,992	4,619	3,510	4,863		16,435
1874.	41,018	11,196	289	11,532	4,642	2,801	4,109		20,415
1875.	44,363	13,147	319	15,182	6,057	5,148	3,977		18,834
1876.	43,342	14,067	326	19,117	6,599	4,455	8,063		22,799
1877.	45,429	15,044	346	16,245	5,493	2,622	8,120		25,117
1878.	45,364	15,714	362	6,406	3,364	1,657	1,475		25,467
1879.	46,239	15,684	389	9,679	5,752	2,341	1,586		26,400
1880.	49,256	16,866	415	12,308	6,395	1,124	4,789		29,155
1881.	52,401	17,016	448	17,828	7,270	4,391	6,167		33,019
1882.	58,926	18,696	473	21,319	7,719	3,867	9,733		36,563
1883.	56,411	19,989	502	15,588	8,070	4,563	2,955		39,062
1884.	58,112	21,591	522	18,652	8,209	4,015	6,428		43,153
1885.	59,313	22,578	558	19,057	9,484	5,493	4,080		45,905
1886.	61,654	23,595	576	20,391	10,369	5,269	4,953		48,897
1887.	64,550	23,932	621	21,952	11,790	6,041	3,621		51,397
1888.	63,193	24,808	651	19,354	11,185	5,708	2,461		54,430
1889.	71,912	26,049	685	22,466	10,356	7,778	4,332		57,370
1890.	76,152		734	36,078	11,372	19,185	5,519		62,380
1891.	80,745	28,480	775	23,549	11,889	6,663	4,997		66,920
1892.	82,966	29,633	801	28,225	11,424	9,158	7,643		72,078
1893.	84,958	31,324	855	37,116	13,355	14,331	8,942		79,610
1894.	87,887	32,403	898	43,832	14,948	17,630	11,454		90,802
1895.	91,453	36,540	1,028	48,908	21,129	18,715	9,064		96,858
1896.	93,861	38,613	1,061	53,270	23,028	20,235	9,827		105,768
1897.	97,720	41,388	1,099	75,367	34,125	23,010	18,232		129,160
1898.	99,890	42,475	1,168	87,182	39,283	34,475	9,986	\$3,438	141,426
1899.	102,784	43,855	1,210	64,371	35,062	26,204	2,951	154	150,446
1900.	106,453	45,244	1,256	118,790	54,841	42,269	16,910	5,770	170,123
1901.	109,047	46,009	1,303	120,217	42,508	31,823	1,401	44,485	171,592
1902.	110,027	47,299	1,334	120,677	50,243	43,069	14,277	13,088	185,004
1903.	112,785	48,193	1,389	182,127	54,582	46,278	18,159	63,108	208,981
1904.	114,522	51,038	1,394	236,591	63,024	57,409	27,116	89,042	236,138
1905.	114,393	52,102	1,535	277,063	72,793	56,556	32,814	115,443	267,487

\* Vide notes, pp. 254-255.



## DISBURSEMENTS

YEAR.	VIII. Municipal Industries.—Continued.					IX. Inter- est.	X. Public Indebtedness.		
	Cemeteries.		Work- house.	City Store Room.	School Books.		Total.	Bonds Redeemed.	Notes Redeemed.
	Expenses.	Outlays.							
1871.....	\$24,963	.....	.....	.....	.....	\$149,070	\$84,720	.....	
1872.....	12,653	.....	.....	.....	.....	166,202	16,000	.....	
1872*.....	11,703	\$8,941	\$10,560	.....	.....	174,375	10,000	.....	
1873.....	18,932	.....	10,348	.....	.....	227,171	45,000	.....	
1874.....	24,433	9,912	24,988	.....	.....	306,674	955,750	.....	
1875.....	19,100	.....	25,778	.....	.....	476,286	680,238	.....	
1876.....	21,170	.....	24,000	.....	.....	338,756	773,791	.....	
1877.....	7,185	5,061	52,364	.....	.....	369,691	853,691	.....	
1878.....	13,957	8,299	74,680	.....	.....	395,806	205,824	.....	
1879.....	11,246	829	.....	.....	.....	385,939	881,722	.....	
1880.....	11,797	7,571	.....	.....	.....	380,014	1,208,296	.....	
1881.....	13,035	19,819	49,231	.....	.....	383,390	698,531	.....	
1882.....	16,404	14,242	51,865	.....	.....	371,095	704,527	.....	
1883.....	15,263	7,806	54,665	.....	.....	381,872	406,989	.....	
1884.....	16,472	5,212	70,820	.....	.....	387,318	409,854	.....	
1885.....	14,839	4,636	77,025	.....	.....	397,333	370,700	.....	
1886.....	14,577	2,199	75,095	.....	.....	438,193	638,350	.....	
1887.....	16,872	6,407	65,852	.....	.....	447,430	638,600	.....	
1888.....	.....	.....	60,479	.....	.....	446,862	343,470	.....	
1889.....	25,423	.....	112,159	.....	.....	447,112	923,850	.....	
1890.....	42,325	.....	.....	.....	.....	410,893	387,000	.....	
1891.....	27,973	.....	68,610	.....	.....	552,192	627,255	.....	
1892.....	30,300	.....	63,752	.....	.....	1,112,438	971,043	.....	
1893.....	26,344	1,151	59,133	.....	.....	1,034,080	949,275	.....	
1894.....	22,143	861	74,770	6,384	32,161	999,029	857,172	.....	
1895.....	24,952	53,188	77,005	5,519	23,033	1,041,234	1,458,962	.....	
1896.....	22,322	12,084	15,555	5,458	22,959	1,470,625	1,167,069	.....	
1897.....	24,515	1,900	30,537	5,230	47,488	1,505,596	1,218,235	.....	
1898.....	16,318	28,760	28,254	6,031	30,255	1,400,172	1,037,070	.....	
1899.....	26,884	10,584	24,833	6,643	30,153	1,172,395	656,070	.....	
1900.....	30,714	11,820	35,438	5,966	34,284	1,338,480	894,830	.....	
1901.....	29,821	1,604	34,186	8,951	35,676	650,671	886,176	.....	
1902.....	32,141	89,573	15,308	9,497	62,757	717,006	2,434,007	.....	
1903.....	33,313	3,071	10,849	10,849	48,665	823,960	1,744,452	.....	
1904.....	39,469	33,666	28,440	13,622	27,159	865,310	1,399,151	.....	
1905.....	38,133	19,294	24,820	14,350	47,816	969,011	1,230,307	.....	

\*Vide notes, pp. 254-255.

## NOTES RELATING TO STATISTICS OF DISBURSEMENTS

The population statistics from 1840 to 1900 are based upon the decennial Federal Censuses; the amount of growth during a decade is assumed to be uniform for each year. Since 1900 the estimates of the Census authorities, as given in Bulletins 20 and 50, are used. These estimates are regarded by some as too low, but the error in the figures given for 1905 is probably very slight. The City Documents and Reports show a tendency in every intercensal period to exaggerate greatly the growth which had taken place. Serious calculations in 1898 were based on a population of 400,000, which was not attained until 1902.

Total Disbursements include interest payments, but not payments for reducing the principal of the debt.

It must be remembered that from disbursements for Schools and Libraries, as well as for the various departments of the city government proper, all payments for interest on debt and for liquidation of the principal are excluded.

Totals under each head sometimes slightly exceed the sum of items recorded. The excess consists of miscellaneous payments falling under that general head, although occurring too infrequently or not being of sufficient importance to warrant placing them in a separate column.

For the years from 1837 to 1870 the attempt, where made, to separate "expenses" from "outlays" is always very imperfect, and for the earlier part of the following period in many items the result is only approximately accurate.

1854: Disbursements for Parks contains \$600 for Fourth of July Celebration.

1862: Expenses of General Government contain \$87,065 paid to C. & P. R. R. Commissioners; \$14,822 for Lighting; \$5,157 for Bridges, and \$3,283 for Perry Statue.

1865: Figures given for Expenses of General Government are approximately accurate, items belonging elsewhere being eliminated. The same is true for 1870.

1867: Total does not include data for schools; reports are not available.

1870: *Cf.* note for 1865.

1871-1875: Total Highways contain an average of \$22,000 a year for street sprinkling.

1872: Figures are for nine months, April to December. \$444,057 of Costs of Court represents awards and costs of court for streets opened, widened or extended.

1873: \$733,011 represents award and costs of court for streets opened, widened, or extended. Money raised for Health Department heretofore is credited to General Fund. Sanitary Fund was established in 1874. Total cost of work in charge of City Civil Engineer completed in 1873 was \$704,996, in addition to costs of court and damages. \$242,316 for Parks represents the damage awarded by the Probate Court for lands appropriated for Lake View Park.

1875: Total work done under City Civil Engineer, \$1,191,847. The \$60,657 for Parks covers both maintenance and outlays.

1876: Total cost of work done under City Civil Engineer, \$895,569.

- 1878: \$943,662 was reported as expenditure for Streets with no indication of how it was used.
- 1879-1883: Disbursements for Armory were for outlays, except \$668 in 1882.
- 1879-1880: Disbursements for House of Correction and Institutional Industries are not distinguishable.
- 1880-1886: Night Soil expenditures not reported.
- 1886: Data for Out-door Relief not reported.
- 1888: Civil Engineer's report states that work costing \$1,100,945 was done by contract in 1888; Auditor's report does not show it. No data for Cemeteries.
- 1889: Disbursements for Courts include \$13,620 for outlays.
- 1890: Amount reported for House of Correction includes also disbursement for Institutional Industries.
- 1890: Expenditures for Schools not included in Total; data not available.
- 1891-1892: Public Printing was chiefly for official advertising.
- 1892: Expense of Lighting contains \$99,486 for claims of contractor prior to 1892.
- 1899: Outlays for Paving contain \$14,283 for repairs.
- 1900: Paving contains \$12,424 for repairs.
- 1901: Expenses of Health Department contain \$24,067 for outlays. Paving contains \$21,138 for repairs.
- 1902-1905: City Farm School, includes outlays: in 1902, \$4,620; 1903, \$12,217; 1904, \$33,165; 1905, \$22,782.
- 1904-1905: For Finance Offices, cost of collecting taxes not being given in reports, an estimate is made, based on reports of previous years.
- 1904: Election Expenses contain \$7,039 outlays. \$20,571 of "Miscellaneous" General Government paid to Glenville on annexation. \$24,097 of the Lighting Expenses represents a court judgment.
- 1905: Election Expenses contain \$1,242 outlays. "Miscellaneous" General Government includes \$44,427 for Glenville annexation. Of the amount for Garbage Collection and Disposal, \$158,642 is for outlays.



# APPENDIX D DEBT AND SINKING FUNDS

YEAR.	General Debt.	Lake Shore Protection.	Sewer.	Street.	Infirmary and House of Correction.	School.	Water Works.	Cement-teries.	Temporary Loans.	Total Debt.	Sinking Fund Assets.	Net Debt.
1841.....	.....	.....	.....	.....	.....	\$3,000	.....	.....	\$5,000	\$20,000	.....	\$20,000
1842.....	.....	\$7,000	.....	.....	.....	7,000	.....	.....	6,000	20,000	.....	20,000
1843.....	.....	7,000	.....	.....	.....	6,000	.....	.....	4,000	17,000	.....	17,000
1844.....	.....	8,000	.....	.....	.....	6,000	.....	.....	6,000	20,000	.....	20,000
1845.....	.....	8,000	.....	.....	.....	6,000	.....	.....	7,000	21,000	.....	21,000
1846.....	.....	8,000	.....	.....	.....	6,000	.....	.....	14,000	28,000	.....	.....
1847.....	.....	8,000	.....	.....	.....	6,000	.....	.....	9,000	23,000	.....	.....
1848.....	.....	8,000	.....	.....	.....	6,000	.....	.....	8,000	14,000	.....	.....
1849.....	.....	8,000	.....	.....	.....	6,000	.....	.....	.....	.....	.....	.....
1850.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1851.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1852.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1853.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1854.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1855.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1856.....	\$33,000	8,000	.....	.....	.....	38,000	\$400,000	\$14,000	.....	549,000	.....	.....
1857.....	70,000	8,000	.....	\$5,000	8,000	35,000	500,000	14,000	.....	640,000	.....	.....
1858.....	66,000	8,000	.....	3,000	6,000	32,000	500,000	14,000	.....	629,000	.....	.....
1859.....	63,000	8,000	.....	3,000	6,000	31,000	525,000	14,000	.....	650,000	.....	.....
1860.....	53,000	9,000	.....	6,000	5,000	22,000	550,000	14,000	22,000	681,000	.....	.....
1861.....	50,000	9,000	\$16,000	.....	14,000	31,000	563,000	14,000	3,000	706,000	.....	.....
1862.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1863.....	115,000	.....	38,000	.....	.....	41,000	550,000	.....	24,000	768,000	.....	.....
1864.....	211,000	.....	32,000	.....	47,000	41,000	550,000	.....	.....	881,000	\$471,000	410,000
1865.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1866.....	230,000	.....	31,000	.....	.....	80,000	550,000	.....	198,000	1,089,000	570,000	519,000
1867.....	105,000	.....	61,000	.....	.....	80,000	550,000	.....	209,000	1,125,000	598,000	527,000
1868.....	251,000	.....	265,000	.....	.....	187,000	550,000	.....	193,000	1,446,000	934,000	513,000
1869.....	341,000	.....	348,000	.....	16,000	385,000	550,000	.....	306,000	1,946,000	1,098,000	937,000
1870.....	765,000	.....	323,000	334,000	200,000	419,000	625,000	.....	239,000	2,911,000	1,147,000	1,764,000

## DEBT AND SINKING FUNDS

YEAR. January 1st.	I. General Government.			II. Protection to Life and Property		III. Health Conservation and Sanitation.				IV. Highways.		
	General.	"Funded."	City Hall.	Police.	Fire.	Sewer	Inter- cepting Sewer.	Sanitary.	Garbage.	Bonds.	Notes.	Street Damage.
1871.....		\$775,000				\$320,000					\$27,000	
1872.....		945,000				370,000					70,000	
1873.....		1,165,000				337,000						
1874.....		1,355,000				320,000				\$397,000		
1875.....		1,882,000				600,000				1,269,000		\$383,000
1876.....		1,722,000				688,000				1,393,000		558,000
1877.....		1,597,000				680,000				1,365,000		983,000
1878.....		1,404,000				647,000				1,335,000		1,011,000
1879.....		1,509,000				586,000				953,000		1,037,000
1880.....		1,534,000				494,000				830,000	35,000	1,037,000
1881.....		1,758,000				417,000				463,000	33,000	710,000
1882.....		1,845,000				358,000				273,000		546,000
1883.....		1,931,000				289,000				109,000	63,000	352,000
1884.....		1,880,000				370,000				267,000	59,000	203,000
1885.....		1,906,000				336,000				337,000		203,000
1886.....	\$225,000	1,824,000				284,000				364,000	4,000	60,000
1887.....	250,000	1,909,000				277,000				383,000	19,000	36,000
1888.....	250,000	2,088,000				290,000				292,000	7,000	29,000
1889.....	185,000	2,005,000				356,000				244,000	74,000	27,000
1890.....	185,000	1,923,000				368,000				183,000	71,000	15,000
1891.....	135,000	1,772,000				367,000				142,000	184,000	111,000
1892.....	45,000	1,699,000		\$20,000	\$90,000	532,000				518,000	100,000	101,000
1893.....	45,000	1,686,000		120,000	90,000	590,000				397,000	138,000	80,000
1894.....	45,000	1,696,000		120,000	337,000	619,000				805,000	228,000	70,000
1895.....	45,000	1,596,000		120,000	342,000	534,000				717,000	419,000	60,000
1896.....	45,000	1,596,000		120,000	251,000	463,000				446,000	678,000	50,000
1897.....		1,596,000		120,000	240,000	696,000	\$110,000			240,000	629,000	40,000
1898.....	12,000	1,434,000		120,000	247,000	921,000	310,000			70,000	662,000	30,000
1899.....	7,000	1,434,000		120,000	247,000	1,062,000	550,000		\$100,000	57,000	1,135,000	20,000
1900.....	4,000	1,434,000		120,000	247,000	1,368,000	550,000		100,000	56,000	1,161,000	
1901.....	2,000	1,405,000		245,000	452,000	1,725,000	650,000		100,000	35,000	1,137,000	
1902.....		1,405,000		225,000	452,000	1,920,000	1,150,000		100,000	22,000	1,391,000	
1903.....		1,354,000	\$700,000	225,000	352,000	2,911,000	1,150,000	\$110,000	100,000	11,000	1,490,069	
1904.....		1,354,000	700,000	225,000	352,000	3,391,000	1,650,000	110,000	255,000	51,000	1,626,000	
1905.....		1,354,000	700,000	225,000	377,000	3,611,000	2,120,000	110,000	255,000	259,000	1,550,000	116,000
1906.....		1,354,000	701,000	225,000	597,000	3,956,000	2,504,000	110,000	255,000	1,706,000	506,000	316,000

# APPENDIX D—CONTINUED DEBT AND SINKING FUNDS

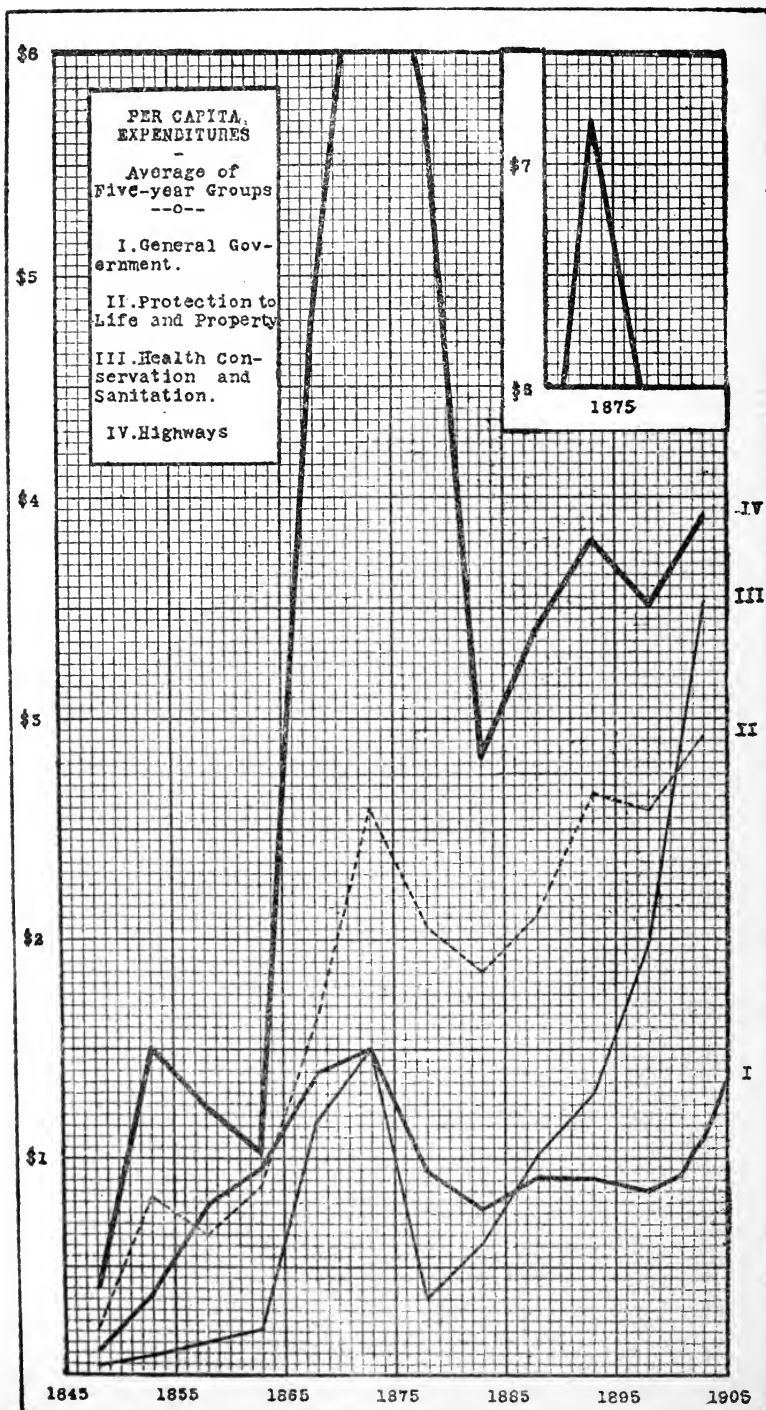
## IV Highways.—Continued.

YEAR.	IV Highways.—Continued.						V. Charities and Correction.				VI. Education.		
	Viaduct.	Canal.	Bridge.	Elevated Roadway.	Dredging.	River and Harbor.	Miscellaneous Highways.	Total Highways.	Infirm-ary.	House of Cor- rection.	City Farm School.	Schools.	Library.
1871.....								\$27,000		\$200,000		\$405,000	
1872.....								70,000		200,000		479,000	
1873.....										200,000		479,000	
1874.....	\$81,000							978,000		200,000		454,000	
1875.....	208,000	\$150,000								200,000		429,000	
1876.....	718,000	195,000						2,370,000	\$10,000	200,000		425,000	
1877.....	908,000	264,000			\$24,000			3,604,000	65,000	200,000		419,000	
1878.....	1,508,000	264,000			51,000			4,229,000	60,000	200,000		414,000	
1879.....	2,135,000	272,000			100,000			4,527,000	54,000	184,000		409,000	
1880.....	2,135,000	275,000			80,000			4,422,000	48,000	184,000		355,000	
1881.....	2,138,000	275,000			61,000			3,680,000	42,000	184,000		350,000	
1882.....	2,138,000	275,000			42,000			3,274,000	36,000	184,000		355,000	
1883.....	2,138,000	275,000			20,000			2,957,000	30,000	184,000		250,000	
1884.....	2,138,000	275,000						2,942,000	24,000	100,000		150,000	
1885.....	2,138,000	275,000	\$65,000					3,018,000	18,000			150,000	
1886.....	2,138,000	275,000	185,000					3,026,000	12,000			455,000	
1887.....	2,138,000	275,000	225,000	\$335,000				3,411,000	6,000			381,000	
1888.....	2,138,000	275,000	307,000	60,000				3,708,000				331,000	
1889.....	2,138,000	275,000	307,000	884,000				3,949,000				486,000	
1890.....	2,138,000	275,000	305,000	892,000				3,879,000				661,000	
1891.....	2,138,000	275,000	305,000	892,000				4,047,000			14,000	761,000	
1892.....	2,138,000	275,000	305,000	892,000				4,329,000			14,000	1,030,000	
1893.....	2,138,000	275,000	475,000	892,000				4,395,000			14,000	950,000	
1894.....	1,990,000	275,000	700,000	892,000				5,025,000			14,000	995,000	
1895.....	1,870,000	275,000	755,000	892,000				4,988,000			14,000	992,000	
1896.....	1,570,000	187,000	675,000	892,000				4,498,000				906,000	
1897.....	1,070,000	161,000	725,000	892,000		\$250,000		4,007,000				901,000	
1898.....	845,000	161,000	909,000	892,000		500,000		4,129,000				1,201,000	
1899.....	445,000	150,000	1,059,000	892,000		750,000		4,528,000				1,401,000	\$250,000
1900.....	275,000	150,000	1,039,000	892,000		750,000		4,248,000				1,395,000	250,000
1901.....	275,000	150,000	1,229,000	1,067,000		1,050,000	\$50,000	4,993,000				1,545,000	250,000
1902.....	275,000	150,000	1,209,000	892,000		1,050,000	50,000	5,039,000				1,608,000	250,000
1903.....	275,000	150,000	1,229,000	892,000		1,050,000	120,000	5,217,000			35,000	2,191,000	250,000
1904.....	275,000		1,179,000	767,000	50,000	1,050,000	120,000	4,828,000			35,000	2,189,000	250,000
1905.....	125,000		1,404,000	635,000	250,000	1,200,000	120,000	5,159,000			50,000	2,308,000	250,000
1906.....	125,000		1,504,000	635,000	750,000	1,250,000	160,000	6,952,000	100,000		70,000	2,308,000	250,000

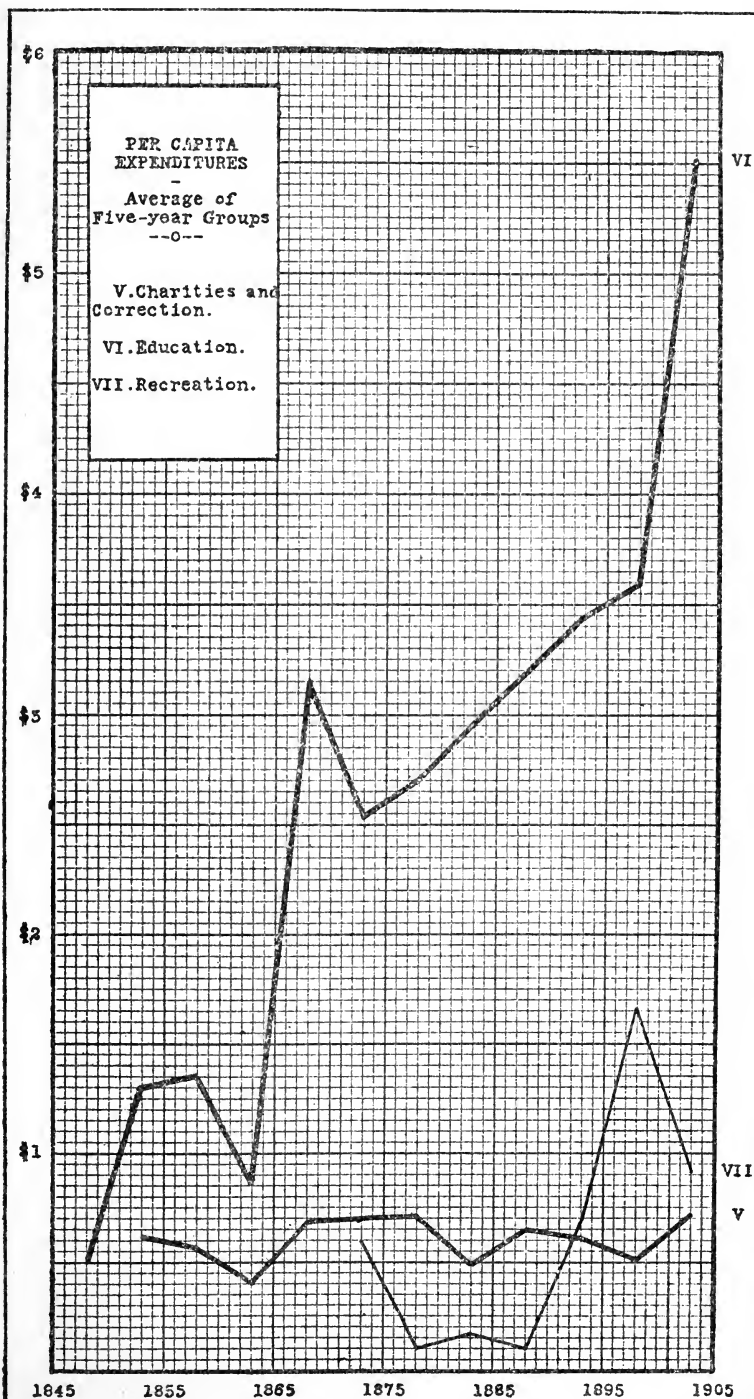




## APPENDIX E



## APPENDIX E—CONTINUED





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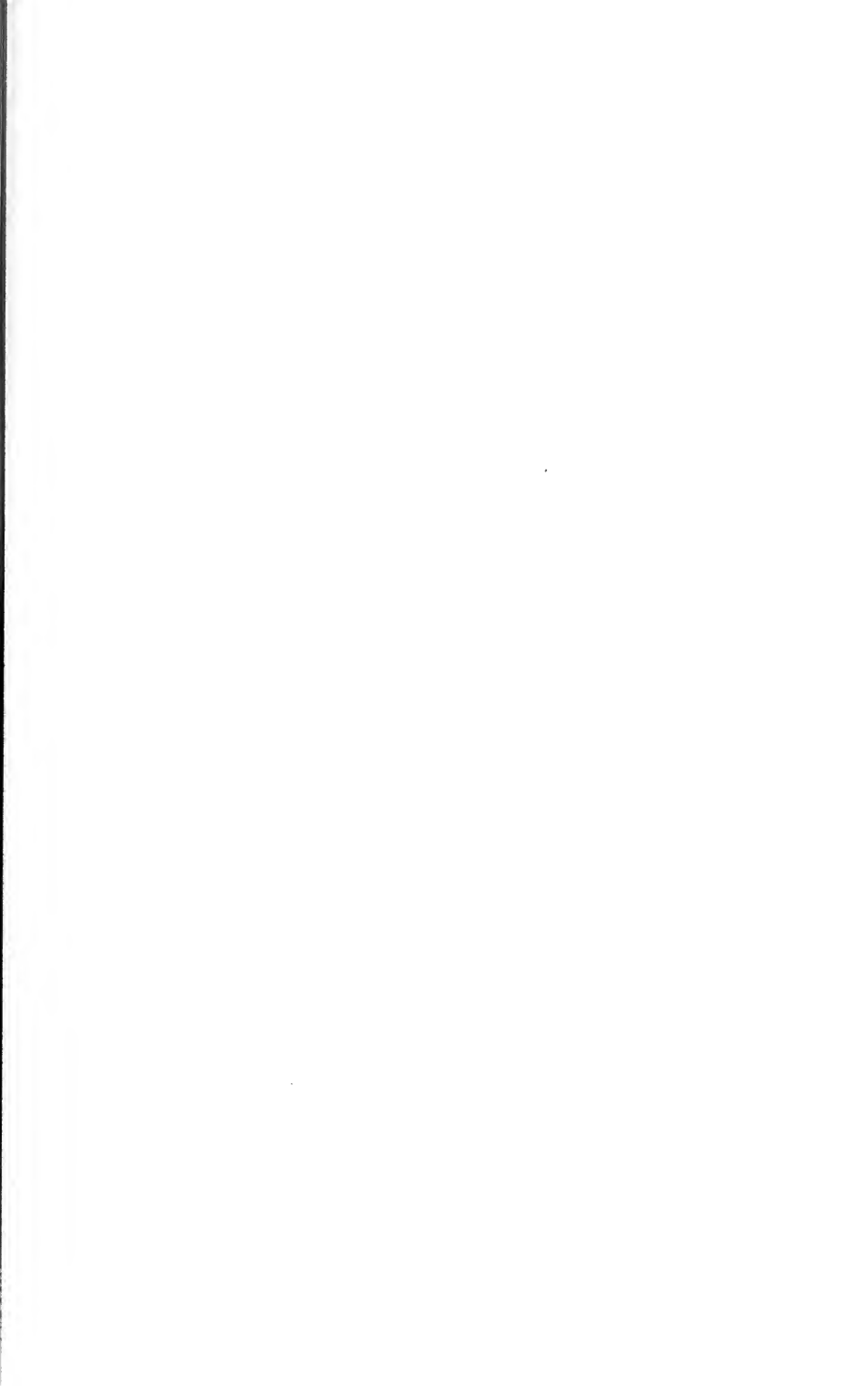
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